

# **The Added Value of Human Resources in Developing Leaders: A case study of an Egyptian Company**

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by

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## **Abstract**

Preparation and development of leaders of the future in any organisation is a primary focus in both academic research and business. Specifically, interest exists regarding leader identification and methods employed in leader preparation and cultivation. Leaders within the organisation underpin the idea of dealing with change and uncertainty. Indeed, Hollis (2007) advises that organisation success lies in the ability of its leaders to set directions and take decisions, especially during critical situations. It takes inspirational visionary thinking to develop leaders, and requires the engagement of all organisation levels embracing top management and whole collaboration. Linking Human Resources (HR) and Organisation Development (OD) during complex times (Schein, 2010) will ensure that leaders help organisations maintain their competitive advantage.

The purpose of the study is to centre attention on a particular macro organisation group in Egypt and review its activity even during change. The study explores the added value of HR and OD within the organisation and their contribution in readying and maturing leaders. Organisation impact is assessed, alongside the maintenance of competitive advantage in the face of rapid change.

Employing qualitative methods within an action research case study (McManners, 2016), the study concentrates on a leading steel producer in Egypt and the MENA region, and reviews leader preparation and development and their impact on the organisation's performance and subsequent business improvement. Data gathering was conducted via interviews with executive level, senior management, and via two focus groups from middle management. Together, information and data were obtained concerning the main issues the Group have confronted when attempting to prepare and develop leaders, particularly during uncertainty and change.

The main outcome of the Leaders Model and Framework is to highlight the contributions of HR and OD. These departmental roles should safeguard sufficient talent that is continually assessed and aligned at all organisation levels within the organisation to achieve leaders. Collaboration, commitment, and communication within the organisation are paramount. Likewise, the need for organisation transformation, empowerment, and learning initiatives promotes added value for HR within the organisation.

## Table of Contents

Acknowledgements.....	2
Abstract.....	3
Table of Figures .....	9
Table of Tables .....	9
Acronyms.....	10
Chapter 1 .....	11
Introduction.....	11
1.1. Background.....	11
1.2. Study Rationale.....	12
1.3. Study Aim and Objectives .....	13
1.4. Research Questions.....	14
1.5. Methodology.....	15
1.6. Structure.....	16
Literature Review.....	18
2.1. Introduction.....	18
2.2. The Leaders Concept and Competencies within the Organisation .....	19
2.2.1. Part 1 – The Leader Concept .....	19
➤ 2.2.1.a. Leadership Debates and Definitions .....	19
➤ 2.2.1.b. Leadership vs. Management .....	20
➤ 2.2.1.c. Leadership Theories and Models .....	21
➤ 2.2.1.d. Leadership Paradigms and Effect .....	22
➤ 2.2.1.e. Leadership Importance for the Organisation.....	23
2.2.2. The Competency Concept.....	24
➤ 2.2.2.a. Competency Approach and Concept.....	24
➤ 2.2.2.b. Competencies Framework .....	25
➤ 2.2.2.c. Competencies and Leadership Development.....	26
➤ 2.2.2.d. Competencies Benefits .....	28
➤ 2.2.2.e. Organisational Importance of Leadership Competencies .....	28
2.3. Systems and Mechanisms for Leader Preparation and Development.....	31
2.3.1. Part 1 - The Mechanisms of Leader Preparation – .....	31
➤ 2.3.1.a. A Pool of Talents .....	31

➤ 2.3.1.b. Identifying Leaders .....	33
2.3.2. Part 2 - The Mechanisms for Developing Leaders .....	34
➤ 2.3.2. a. Learning and Development .....	34
➤ 2.3.2.b. Mentoring .....	36
➤ 2.3.2.c. Coaching .....	37
➤ 2.3.2.d. Management Investing and Empowerment .....	38
2.4. The Value of HR in Preparing and Developing Leaders .....	39
2.4.1 HR and OD Collaboration .....	40
2.4.2. HR and OD Models and Frameworks for Preparing Leaders .....	41
2.4.3. HR and OD Leader Development Frameworks .....	43
2.4.4. Organisation Value of HR .....	45
2.5. Literature Summary .....	47
Chapter 3 .....	50
Methodology .....	50
3.1. Introduction .....	50
3.2. Research Paradigm .....	50
3.2.1. Philosophical Assumptions and Interpretative Framework .....	52
➤ 3.2.1.a. The Ontology Concept .....	52
➤ 3.2.1.b. The Epistemology Concept .....	53
3.3. Research Design .....	54
3.4. Methods .....	55
3.4.1. Action Research Cycle (ARC) .....	55
➤ 3.4.1.a. Phase 1: Preparatory Procedures .....	55
3.4.2. Phase 2: Action Research – Construction .....	56
3.4.3. Phase 3: Critical Research Assumptions and Action Plan – Planning .....	57
➤ 3.4.3.a. Critical Research Assumptions .....	57
3.4.4. Phase 4: Project Identification Steps – Action Taken .....	61
3.4.5. Phase 5: Research Contributions & Evaluation .....	61
3.5. Research Implementation & Validity .....	63
3.6. Data Collection .....	65
3.6.1. Identifying Key Questions .....	67
3.6.2. Conducting the Interviews .....	68
3.6.3. The Interview Process .....	69
3.6.4. Participant Selection .....	71

3.7. Data Analysis and Interpretation .....	73
3.8. Summary .....	75
Chapter 4.....	77
Data Analysis and Findings .....	77
4.1. Introduction .....	77
4.2. Data Analysis .....	77
4.2.1. Transferring Information Coding and Identifying Themes .....	77
4.3. Findings .....	80
4.3.1. Organisation Culture and Leadership Beliefs .....	80
➤ 4.3.1.a. Organisation's Culture Understanding.....	80
➤ 4.3.1.b. Management Beliefs .....	81
4.3.2. Leaders' Profile and Competencies.....	83
➤ 4.3.2.a. Organisation's Perception of Leadership as a Remodel .....	83
➤ 4.3.2.b. Organisation's Perceived Leadership Competencies.....	84
➤ 4.3.2.c. Organisation's Perceived Leadership Traits .....	85
4.3.3. Preparing and Developing the Leaders .....	85
➤ 4.3.3.a. Leader Identifications and Selections .....	85
4.3.4. Contributions and Systems Infrastructure .....	87
4.3.5. Communications and Job Rotation.....	87
4.3.6. Coaching, Training and Delegation.....	88
4.4. Mechanisms Needed to Implement Leaders .....	88
4.4.1. Transformation .....	88
4.4.2. Identification and Assessment.....	89
4.4.3. Line Managers' Mentoring.....	90
4.4.4. Top Management Empowerment .....	91
4.5. Role of the HR and OD within the Organisation .....	92
4.5.1. Talent Management .....	92
➤ 4.5.1.a Talent Development .....	93
➤ 4.5.1.b. The New Role of OD .....	94
4.6. The Added Value of HR for Leader Success .....	96
4.6.1. Strategic Alignments .....	96
4.6.2. Communications, Performance and Learning .....	98
4.7. Summary of Findings.....	99
Chapter 5.....	102

Discussion of the Findings.....	102
5.1. Introduction.....	102
5.2. The Organisation’s Leadership Approach.....	102
5.3. Resources Needed to Prepare Leaders .....	103
5.4. Leaders’ Competencies and Identification .....	105
5.5. Leaders’ Development .....	106
5.6. The Advanced Role of HR .....	107
5.7. The OD Inside the Organisation.....	109
5.8. Literature Comparison of the Findings .....	110
5.9. Summary.....	114
Chapter 6.....	117
Practical Applications & Conclusion.....	117
6.1. Introduction.....	117
6.2. Organisation Commitment to Leader Development .....	117
6.2.1. The Involvement of the HR and OD Function in the Leader Creation Process.....	118
6.2.2. Integrated Talent Management .....	118
6.2.3. Conclusion.....	118
6.3. Assessing and Aligning the Organisation .....	118
6.3.1. Focus Achievements Goals.....	119
6.4. Summary .....	121
Chapter 7.....	122
Implementation and Recommendations.....	122
7.1. Introduction.....	122
7.2. Theoretical Implications .....	122
7.2.1. “Leaders Model 3 A and C’s”.....	123
7.2.2. The “MADE IT” Framework.....	125
7.3. Practical Implementation .....	131
7.3.1 The New Role of HRM .....	131
➤ 7.3.1.a. Developing an Aspirational Organisation and Motivated Workforce.....	131
➤ 7.3.1.b. Developing Success as the End-Goal .....	132
7.4. The OD Alignment with HR .....	132
7.4.1. Assigning and Receiving Support for OD.....	132
➤ 7.4.1.a. Link to Strategy.....	132

➤ 7.4.1.b. Identify Talent across Levels Using Assessment .....	133
➤ 7.4.1.c. Review Assignment and Training Development .....	133
➤ 7.4.1.d. Human Capital Challenges .....	134
➤ 7.4.1.e. Facilitate Broader Transformation Efforts .....	134
7.5. Recommendations .....	134
7.5.1. Applying the Learning Organisation .....	134
7.5.2. Linking Organisation Strategy with Objectives and KPI's .....	136
7.6. Limitations and Future Study.....	137
Chapter 8.....	139
Reflections .....	139
8.1. Introduction.....	139
8.2. Reflection on the Action Research Cycle .....	139
8.3. Reflection on the Research Problem and Research Outcomes .....	140
8.4. Reflection on the Action Plan .....	141
8.4.1. The Starting Phase: Pre-Plan .....	141
➤ 8.4.1.a. Phase 1: Build Leaders Using Talent .....	142
➤ 8.4.1.b. Phase 2: Explain Steps and Processes to High-Potential, Talent, and Leaders	142
➤ 8.4.1.c. Phase 3: Identify and Classify .....	142
➤ 8.4.1.d. Phase 4: Communicate High-Potential Terms .....	142
➤ 8.4.1.e. Phase 5: Develop Leaders .....	142
➤ 8.4.1.f. Phase 6: Evaluate Future Leaders System .....	143
8.5. Reflection on the Academic Aspect.....	143
8.6. Reflection on Personal Development & Transformational.....	144
8.7. Summary and Conclusion .....	151
Bibliography .....	152
Appendix A: About ES - General Information .....	178
Appendix B: ES Organisation Chart Overview .....	182
Appendix C: Questionnaire.....	185
Appendix D: Data Gathering Summary: Coding / Clusters / Themes.....	188



## Table of Figures

Figure 1: Differing concepts of competencies. Source: Bolden and Gosling, (2006.) .....	24
Figure 2: The dynamic cycle of the Self-Leadership Development Model. Source: Ross (2014).....	35
Figure 3: HR and OD “Sweet Spot”. Source: Morgan and Jardin (2010) .....	42
Figure 4: MADE Framework. Source: Morgan and Jardin (2010).....	43
Figure 5: Leaders-as-Teacher Model. Source: Hollis (2007) .....	44
Figure 6: Leaders 3 AandC’s Model for Future Leaders. ....	124
Figure 7: Made IT – The Leaders of the Future Framework .....	126
Figure 8: Assessment Test to identify High Potential Employees (HIPO).....	133

## Table of Tables

Table 1: Data Collection Analysis and Action Research Phases.....	<b>Error! Bookmark not defined.</b>
Table 2: Questionnaire Frameworks.....	69
Table 3: Participants’ Criteria.....	73
Table 4: Coding Overview.....	78
Table 5: Themes Overview .....	80
Table 6: Themes Conclusion Points. ....	101
Table 11: ES Group SWOT Analysis (Summary).....	180
Table 12: ES Group Headcount: (HRIS ES System: 31/01/2016) .....	184
Table 13: Example of coding line-by-line .....	189
Table 14: Sample of The Behavioural Actions.....	195

## Acronyms

CEB	Corporate Executive Board
CHRO	Corporate Human Resources Officer
CMT	Crisis Management Team
CIPD	Chartered Institute of Personnel Development in UK
DBA	Doctor Business Administration
ES	A Leading Egyptian Steel Group
FL	Future Leaders
HIPO	High Potential
HP	High Performance
HR	Human Resources
HRM	Human Resources Management
HRD	Human Resources Development
IR	Insider Researcher
ITM	Integrated Talent Management
KPI	Key Performance Indicators
LO	Learning Organisation
MENA	Middle East and North Africa
M&A	Mergers and Acquisitions
OD	Organisation Development
SHRM	Society of Human Resource Management
SP	Scholar Practitioner
TM	Talent Management
ROI	Return on Investment

# **Chapter 1**

## **Introduction**

### **1.1. Background**

Organisations, particularly multi-national corporations, find it challenging to identify, prepare, and develop leaders. Therefore, HR's role in supporting senior management in building, forming, and emerging the second tier of incumbent managers who lead and deal with change is paramount to stable and sustainable business maintenance (Conner, 2000). This hypothesis is based on my professional experience in top management and HR, during the past twenty years. Throughout my career, I have dealt with different cultures, crisis management, and organisational change, whilst greatly assisted by vital leadership acumen leverage when problem solving. My experience in different functions such as HR operations; HR strategy; organisational development; internal communications; administration; business development; PR, and communications, concludes that management needs to leverage leadership to create corporate excellence. Having worked in different types of organisations, including international, family, private, and NGOs, I, the researcher, have had the opportunity to discover and understand different types of business and sectors like IT; retail; telecom; tourism; agriculture; trading; consulting; education, and mining (heavy industry - steel production).

Further, I hold international experience from my tenure at (OTH) Telecom in over twelve countries,<sup>1</sup> being responsible for their M&A. This practice enabled me to understand the importance of knowing an organisation's history, environment, and culture, and using this to handle challenges and different situations. This perspective does not only arise from my HR and management experience lens, but also from my business expertise that realises the importance of quality operations and management. It can be hypothesised that any type of business seeking goal achievement and marketplace recognition should hone in on the quality of its organisational leadership.

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<sup>1</sup> North America, Europe, Africa and Asia, Canada, Italy, Greece, Tunisia, Algeria, Central Africa, Burundi, Zimbabwe, Pakistan, Bangladesh, North Korea, and Egypt.

I have been employed at one of the leading Egyptian Steel Groups (hereafter referred to as ‘ES’) in the MENA region (Appendix A) since May, 2010 as its Organisational Development Division Director. An Egyptian joint stock company established in 1994, ES is a company registered on the Egyptian and London Stock Exchanges with more than 20,000 shareholders. It is the largest steel producer in the MENA region (according to the Metal Bulletin Report, 2015) with a production capacity of 6.8 million tons per year and a market share of 47% in 2016. The company exported 545,000 tons of steel in 2016 to African, Asian, European, and Gulf area countries.

Moreover, the company is the second biggest Direct Reduced Iron (DRI) producer worldwide, with a production capacity of 5.1 million tons per year. It is listed amongst the top 37 steel companies in the world, according to the World Steel Dynamics Report (2016). The company also has fully integrated production operations. Its direct workforce comprises 8,000 employees and its indirect workforce involves more than 2,000 employees located in five business units. These are the ES Plant at Sadat City; ES Plant at Suez City; Direct Reduced Iron Plant at Suez City; ES Plant at 10th of Ramadan City, and ES Dkhaila at Alexandria. The company produces a diversified set of steel products; rebar; wire rod, and hot rolled coils, with a wide-range of thicknesses and specifications. Nevertheless, the company is also currently experiencing critical challenges due to energy issues and dumping-based Chinese competition. Also, their total reliance on imported iron ore constantly exposes the company to FX risk that is further stimulated by economic and political instability. However, through becoming an HR strategic business partner I realised that Egypt would require both culture and traditional managerial system changes (Bakhshi, 1991) for company employees to reach top management positions.

## **1.2. Study Rationale**

A company desires certainty (Jacobs, 2005). They require leaders and talents with abilities to take over and sustain the leading of the market position, and who are capable of dealing with future change (Jacobs, 2005). Preparing leaders during times of huge change and uncertainty is another challenge (Jacobs, 2005). Business groups or family businesses suffer likewise. It has become an important issue for the organisation, with environmental changes causing uncertainties and limited entrepreneurial opportunities sapping leader development (Conner, 2000). It is widely understood that HR can add value for organisations by preparing and

developing leaders to help them gain a competitive edge (Preziosi, 2006). This manifests in finding better solutions for similar problems and achieving similar goals, not only by applying systematic procedures, but also through employing novel ones that match the organisation's culture. For instance, HR staff could implement a coaching role for leaders that imparts knowledge transfer and expertise that in turn, would develop leaders such that they are empowered to confront difficult challenges and potentially changeable future conditions.

Although a significant amount of research exists highlighting the emphasis on environmental conditions and leadership development, there are very few practical applications available for implementation (Toppin, P., 2017). Having a research model matching western countries and also related to developing countries will help generate ideas different from those gained in the advanced economies, such as Europe and the United States (Toppin, P., 2017). I believe that a technical approach to management is insufficient without a leadership approach that specifically deals with the challenges facing multi-national organisations. SMEs usually find their leadership through their founders; however, corporations lose touch with their high-potential talents due to additional layers of middle management (Zachariah, R. et al., 2011). They tend to be more system-orientated rather than focused on assimilating the necessities of systems incorporating the needs of its people for stimulus and empowerment (Zachariah, R. et al., 2011). Working as OD Director in one of the biggest local steel organisations, ES, in Egypt and within the MENA region, enabled me to discover that my organisation was implementing its HR function insufficiently regarding the strategy that HR could employ to develop multiple future leaders. Further, my strategic role within the organisation enabled me to test out ranging theories of varying leadership quality according to cultural dogmas, and to review this multinational corporate's current focus on imitating the leadership strategies executed by start-ups.

### **1.3. Study Aim and Objectives**

During our meeting in March, 2016, the ES Group's CEO and Senior Management shared their thoughts on a new strategy for a sustainable organisation by emerging leaders during the then unstable environment. Indeed, they recognised the need for the readiness of passing on leadership roles and ensuring that current top management and senior manager capabilities consistently met the needs of the executive level. However, the critical challenge facing the organisation was that some of the pool of talents were ready to assume some of these

responsibilities, yet lacked leadership experience exposure. Moreover, many of the talents were unmotivated for leadership; therefore, which of these talents to select for leadership roles was unknown. Urgency arose within Senior Management to train and develop their employees, especially the junior staff, via high potential programs. Senior management also needed a clear goal concerning the new leader profile, who could lead and deal with conceptual change, processes, and practices of the innovative enterprise paradigm. These considerations required identification within the Management Model.

HR helps senior management (shareholders), managers, and employees handle crisis and change. Its assistant role functions in achieving the business's strategic objectives by choosing the right time and action method in which to take action (Wright and Thompson, 1997). This was particularly evident for ES during its recent changes. Large and impactful social changes engage talented people with a sense of having a fresh look at situations from new angles. Such developments also harbour people who can manage and make businesses adapt innovatively and creatively (Mason, 1994). ES's CEO seeks the availability of suitable young people to continue leading the organisation. The company desires a pool of future talents capable of becoming managers and leaders to sustain its market competitor advantage as the "school of steel" in the MENA region. Indeed, senior management posed an important question: *"What will be the added value of HR in helping the organisation to prepare and develop leaders of the future?"*

This question became the focal objective of my research. I use action research as a new approach to develop collaboration between different stakeholders within the organisation. This makes them part of the challenge to find suitable solutions to create leadership as objective. The secondary objective is to evaluate how to reduce the potential risks and threats of environmental and cultural resistance to generate leader pools and develop them.

#### **1.4. Research Questions**

The question cited above: *"What will be the added value of HR in helping the organisation to prepare and develop leaders of the future?"* forms the primary research question. Supplementary questions explore the topic deeper. Obtaining a better understanding of the strategic role of HR and its direct impact on both the organisation and human capital could be argued as more significant in developing countries. Organisations in these countries need to develop talent and successors to handle complex situations flexibly, adapt to change to

survive or sustain businesses, and to retain organisational position (Bhatnagar, 2010). My personal understanding of the situation and the focus on preparing leaders for the organisation is the main impetus for the study. The organisations found in developing countries, particularly in the MENA region, are mainly comprised of family businesses. As these businesses expand across territories or grow within their markets, they need to find pre-determined business processes for transformation from an entrepreneurial to a corporate structure. This type of business transformation becomes even more critical to define when businesses are passed down to the second generation of owners.

As a Scholar-Practitioner (SP), I first consider the cultural and environmental challenges inherent when preparing leaders for the organisation. My objectives are to create synergy between all stakeholders' expectations coming from a traditional and a transformational approach that will help develop leaders. Whilst there are distinct differences between succession planning and a leader pool, HR's strategic role is to facilitate this transformation process by understanding that future leadership has added value. To assist HR's role, this thesis proposes a leader of the future development framework. This framework is scalable and replicable across business functions throughout the organisational hierarchy.

The following research questions are based on the challenges thus described. Such obstacles provide the study focus for understanding the concept and importance of organisation leaders preparing and developing leaders, and HR's contribution:

- 1) What competencies do leaders need in the organisation?*
- 2) What systems and mechanisms are needed to develop these leaders?*
- 3) What role will HR and OD departments play in the development of leaders?*

## **1.5. Methodology**

The qualitative method permits concentration on interviews and focus groups, collectively responding to the research questions. Likewise, they address questions on the necessity of fostering a favourable organisational climate to continue developing employees' ability to deal with change. Consequently, leaders will support the organisation and be more adaptable to change and crisis, while effectively handling complex situations or uncertainty that could affect the organisation's competitive advantage (Tiwari and Saxena, 2012).

This study needed a scholar practitioner who could investigate in-depth by linking academic and business knowledge through action research. Connecting business knowledge with academic study was particularly difficult due to the arbitrary approach dictated by cultural influences. I used innovative tools and pioneering practices to bring together similar cases, information, and new ideas. I covered every dimension to make an informed decision in the correct timeframe to avoid failure. Hurdles regarding leader progression are one of the most important issues for organisations' senior management. This is because environments change and businesses increasingly need flexibility and a decision step evaluation to reduce risk and guide the organisation. Due to rapid change within the corporate environment, ES had to consider how it could leverage the change into an opportunity for sustainable business. Therefore, this action research case study (McManners, 2016) highlights management learning through its action research aimed at progressing leaders.

Notably, ES's feudal culture signals that its organisational hierarchy does not handle change systematically. Thus, my endeavours continue to introduce systems to help senior management manage this change. Thus, action research is the most appropriate method of analysing and evaluating my perspective approach around the premise: 'The added value of HR in helping the organisation to prepare and develop leaders'. I believe that HR is not only critical to the organisation's sustainability, but it must also assist with the introduction of a scalable and replicable framework for developing leaders. The collaboration between various stakeholders and business functions enables collective knowledge to provide a new direction and approach. Hence, the action research marks out an exchange hub for ideas and experiences and the valuable insights required to make relevant analysis and appropriate evaluations. This will be substantiated through constant follow-ups within internal corporate communications, formally tracking the changes and their impact. Opportunities are offered for people in the organisation to 'learn by doing', thus tailoring action research to their situation. It will support them to be more flexible when adapting to change and crises, and when dealing with complex situations or uncertainty that could affect the organisation's competitive advantage (Tiwari and Saxena, 2012).

## **1.6. Structure**

The study has eight chapters. Chapter 1 comprises the introduction to the research. It gives the research background; aim and objectives; the research questions, and a brief overview of the ES Group. It articulates the study's purpose, its rationale, and the organisation impact.



Chapter 2 supplies the research paradigm and study scope. It includes literature on the leader concept and the competencies needed. It reviews the mechanism and system for preparing and developing leaders, the organisational contribution levels, and the role of HR/Organisation Development (OD) departments in helping the organisation to prepare and mature leaders. Also, it details different tools and methods to ensure leaders within the organisation. Chapter 2 endeavours to identify gaps within the existing literature to find a model that provides linkage between the business model and the organisation's culture.

Chapter 3 covers the methodology employed. It describes selecting the research methods, the research designs, and interview questionnaire preparation. Additionally, it details data collection and analysis and explains the researcher's assumptions, coding, and theme methods. It elaborates on the action research case study approach used in this study.

Subsequently, Chapter 4 provides the findings and data analysis gleaned from the data themes obtained from the interviews and focus group. Chapter 5 highlights the findings further, attempting to link back to previous literature and point out areas where the findings are in alignment with existing knowledge, or alternatively whether they generate a new phenomenon.

Chapter 6 accentuates the practical application and conclusion that paints the larger picture and probes the research questions. Chapter 7 outlines the theoretical and practice focus used towards developing a model and framework with a clear process applicable to preparing and developing leaders. It offers recommendations and discusses the study's limitations and its future.

Chapter 8 comprises personal reflections of myself as SP. It contains the major challenges I faced and learned in my Doctor Business Administration (DBA) journey. This shall provide me with the much needed leverage to provide an alternative narrative by implementing the strategy of the action research developed by Coghlan and Brannick (2010) using the three stages of construction, Planning Action, Taking Action, and Evaluating Action. It encompasses how I dealt with this challenge head-on, and it details my action plan for developing collaborations between departmental and functional entities. It incorporates the

positivity these changes bring to the organisation by making each of the stakeholders a centre of empowerment.

## **Chapter 2**

### **Literature Review**

#### **2.1. Introduction**

This reviews the research questions through the literature to obtain different perspectives. It also investigates solutions and models. The Literature Review has three components. The first component focuses on the importance of leaders for the organisation and the competencies leaders need. The second component contains the mechanisms for preparing and developing talented and/or potential future leadership. The third component explores the value of HR and OD departments within the organisation to acquire leaders. It examines alternative solutions, penetrates the problem, and adds a different dimension to the study.

The challenge of applying my research in the DBA enables me to integrate or link business operations with an academic approach. I use action research to find a suitable approach to solving the organisation's problem, or 'challenge'. Focusing on the academic perspective provides different ideas and alternatives through the literature to further understand the situation or problem. Thus, similar cases and research contained in the University of Liverpool's (UoL) library were studied, using the DISCOVER and EBSCO cross-database search tools for management-related subjects. Key search terms included 'future leaders for the organisation'; 'the role of Human Resources Management for preparing and development of future leaders'; 'the competitive advantage of HR in preparing future leaders', and 'HR tools for preparing future leaders'. Articles based on the relevance of the title/subject to my study, and its popularity, were chosen. Also, practitioner publications from the CIPD, and other publications were obtained through the SHRM, the CEB - USA and SHL - UK. These helped evaluate the problem from different dimensions and thus strengthen the research outcomes. Consensus in the existing literature relating to the study's research questions was also explored. The next sections reflect upon possible answers to the research questions, as revealed in the literature.

## **2.2. The Leaders Concept and Competencies within the Organisation**

This area contains two parts. First, the leader concept and the difference between leaders and managers within the organisation is reviewed alongside theories, paradigms and their significance for organisation leaders. The second area looks at leader competencies. It explores the significance of these for the organisation strategy and the benefits, and then turns to specific leader competencies required for leaders to effectively cope with future situations.

### **2.2.1. Part 1 – The Leader Concept**

#### **➤ 2.2.1.a. Leadership Debates and Definitions**

The importance of leaders exists at all levels within the organisation (Bontas, 2012). There were a number of debates during the first half of the twentieth century about whether or not leaders are naturally born. The intention was to identify the essence of leadership to better understand what makes a leader. Investigations also attempted to scientifically replicate and scale those conditions through management practices. Yet there is no agreed definition of leadership or what the concept should embrace (Avery et al., 2004). There is substantial evidence that talent is not congenital. Many authors over the last thirty years have explored the characteristics of general leadership (Muir, 2014). However, very few regard leadership as a continuing process (Bass, 1990). Also, leadership development seems to focus on building skills and short-term interventions like training rather than the creation of leaders and how to think of oneself as a leader (Day, 2001).

Most of the leadership literature does not provide a clear consensus on defining leadership as part of the organisation's functional responsibilities. It generally fails to clarify the role of its functional departments, such as HR or OD in providing organisational goals for leadership development (House and Aditya, 1997; Bennis, 1998; Bergsteiner, 2005). This could be because of the limited research in this area that is restricted to viewing the relationship between leadership behaviour and organisational performance.

The following quotation on leadership is from Roosevelt, the American President, 1856-1919: *"The best leader is the one who has enough common sense to choose the right people for what he/she wants to achieve and enough restraint not to put on them while working."* Such quotations highlight the difficulties associated with selecting good leaders. This reinforces the importance of reviewing the profile of each candidate capable of meeting

challenges by empowering them with the right tools and support without the need to be micromanaged. A subsequent period should be allocated for adaptation and integration that enables young leaders to successfully maximise their strategic potential in the long-term. Muir (2014) describes the leader's feelings of self-help as organising, which gives meaning to their behaviour. For example, the concept of self-awareness contributes to their perception of their strengths, core values, and beliefs. It provides them with a sense of purpose (Avolio and Gardner, 2005).

Even though these debates present themselves in the literature, it is widely accepted that leadership creates a very important link between organisational effectiveness and people's performance at an organisational level (Pisano and Shuen, 1997; Bass, 1998; Avolio, 1999; McGrath and MacMillan, 2000; Judge, 2002; Judge, Heller and Mount, 2002; Teece and Yukl, 2002; Judge and Piccolo, 2004; Purcell et al., 2004; Keller, 2006). Extensive academic scholarship and industry experts in Management Science and Leadership have discussed the effectiveness of leadership styles and behaviours (House and Arthur, 1993; House and Aditya, 1997; Analoui, 1999; Kakabadse and Kakabadse, 1999; Shamir, Shamir and Howell, 1999; Yukl, 1999; Drath, 2001; Avery, 2004). Although existing research leaves many unanswered questions and gaps, a significant amount of research regarding the relationship between leadership and performance is discussed in the subsequent sections.

### ➤ **2.2.1.b. Leadership vs. Management**

Leaders, managers, and employees within the organisation shape the climate and effectiveness of the working environment. Market globalisation leads to a new approach in addition to management and managers; it provides another concept of leadership and leaders (Bontas, 2012). Beginning with management, through short-term plans, budgets, and negotiation by managers to represent investors, management seeks harmonised results, that is, efficiency, within active management. This can de-motivate people and lead to dysfunctional conflict. Leaders, meanwhile, have the vision for a long-term strategy involving controlled risk, and a high probability of increasing business profitability. However, leadership aims for valuable change, that is effectiveness. Strong leadership may disrupt order and hierarchical management, which leads to dysfunctional conflict. Still, the debates surrounding leadership today generate lasting enthusiasm for the common cause, innovative solutions for complex problems, and inspire people to change. Having a clear process that aids change ensures success via aligning and motivating people. Bontas's (2012) study concludes that there has to

be a balance of leadership and management, because “to be a good leader, you have to know how to manage” (Toor, 2011), but during transition this may require close collaboration between the leaders and everyone in the company (Bontas, 2012).

### ➤ **2.2.1.c. Leadership Theories and Models**

Avery et al., (2004) highlighted micro and macro levels in the literature to discover more about the different theories and leadership models. The micro-level theories centre around leadership characteristics and individuals’ and followers’ interaction. Some theories predict that leaders differ from others through special traits. Other theories require a comprehensive understanding of the individual or followers and leaders with some interaction using an approach like LMX theory. Others, such as the socio-cognitive and Fielder’s Contingency Model approaches; the Situational Leadership Model and House’s Path-Goal Theory; the Great Man Theory, and other theories state that managing others can be devoid of emotion (Avery et al., 2004).

The macro levels do not focus on individual relations with leaders as much as on those with external and internal systems to help people to work together; share information and communicate. This enables individuals to deal with variables like culture, environments, and operations as leader substitutes (Avery, 2004). Leaders are often advised to manage or change the organisational culture to match their objectives or vision. This is difficult, since leaders need to account for internal and external environments when considering the future position. Leaders must be strategic to handle internal and external influences requiring alignment with the entire organisation. Only then can culture and systems be handled and performance enhanced. Dealing with these as a learning organisation permits members to adapt to change and transform their knowledge into action. However, alignment or linking both leadership paradigms and theories using Fiedler’s Model (Avery, 2004) suits different organisation types.

Moving forward, Penney (2011) studied leadership based on two Generations (X and Y) to ascertain the type of leadership preferred, its qualities, future problems, and how organisations can attract and retain Generation X. Leadership can be unclear and it changes over time. Numerous studies exist, including books written by CEOs, politicians, and professors; however, few researchers have studied Generation X (born 1965-1979) and Generation Y (born 1980-2000). Upon interviewing leaders about future challenges, it was concluded in the literature that the main hurdle was retaining qualified workers from X and Y

Generations (Penney, Leigh and Norassakkunkt, 2002) necessitating organisational change (Penney and Neilson, 2010, pp. 122-123). Among other less significant challenges are dealing with global economic pressures; keeping up with technological advances; environmental issues; coping with diversity and inclusiveness; hiring qualified workers; effective teamwork, and dealing with difficult people. The Generation X view of leadership states that leadership should be more inclusive, less top-down, and include collaboration. Moreover, it is important to develop leadership by progressing individuals from their organisational position. This view accentuates the common belief that the traditional approach to leadership is that the so-called ‘all knowing—you lead, and you tell us that what to do’ is no longer suitable to meet the modern challenges facing global organisations.

#### ➤ 2.2.1.d. Leadership Paradigms and Effect

Leadership paradigms can be broadly distinguished from one to another. However, Avery (2004) guides the reader to the ideas underlying leadership in both practice and in theory. These are classical leadership; transactional leadership; visionary leadership, and the organic paradigm. Responsibility lies with the organisation to match the leadership paradigm with the organisation’s business, culture, and people (Avery, 2004). Also, the leadership paradigms reflect leaders’ characteristics and their varying prioritisation of several facets, including followers; knowledge workers; power type; decision-making; changing management culture; culture; adaptability; responsibility and accountability, and structure-matching. All of these depend on many factors like the environment, and the culture confronting the organisation. Such factors embed themselves within the entire context and all the combined factors that successful leadership must handle. The innate leadership model held by the organisation’s members will determine whether particular paradigms are indeed recognised as ‘leadership’ (Avery et al., 2004).

Meanwhile, observing academic surveys of major organisations, the growing body of evidence indicates the widespread belief that leadership has a proven effect on organisational performance (Waldman, Javidan and Varella, 2004; Agle, 2006). This belief is further revealed through burgeoning investments in leadership development programs and initiatives (Martineau and Hannum, 2003). The academic scholarship insists on the importance of leadership development for organisational performances by offering learning designs (e.g., Ladyshevsky, 2007); insights based on processes (e.g., Boaden, 2006), and practical

solutions (e.g., Leskiw and Singh, 2007). The primary roles of these perspectives (design, process, and solutions) are first, to explore the organisational traits required for accommodating leadership development, and second, to identify individuals within the organisation who could “assume the leadership roles to be able to engage effectively in the leadership processes” (Houghton and DiLiello, 2009, p. 233).

### ➤ **2.2.1.e. Leadership Importance for the Organisation**

Hollis (2007) advises that organisation success rests in its leaders’ ability to ensure they transfer their inspired visionary thinking to developing leaders. This requires engagement of the executive level of current leaders in the teacher/learning model. This research study aims to portray the knowledge transfer effect and how it increases collaboration between all functions across the organisation to establish senior managers who can care for the learning organisation; ensure success; face hard times positively, and help leaders “survive and excel” during subsequent uncertainty, turbulence, and rapid change (Cangemi, 2011). Fitzgerald (2007) posits two primary leadership roles that assist businesses to pass through struggle: analysis; fact-based decisions, and using strategic analytics data (Cangemi, 2008). Miller et al., (2008) advocate data should be collected and then actioned upon rapidly during periods of change to cultivate and maintain trust.

There is a significant risk when depending on ‘yesterday’s model’. Leaders should be conversant with all up-to-date data. Decision-making must be direct and forward-looking (Fitzgerald, 2009), leading to transparency and trust. Other valuable points for leadership success include open and honest communication between leaders and employees; explaining dilemmas the organisation faces; forming teams; staff participation in problem-solving; visiting customers to collect their information; assessing the organisation’s strengths and capabilities; finding new business opportunities; being positive and optimistic, and encouraging employees (Fitzgerald, 2009). Indeed, appropriate external counsel can provide objectives and encouragement for managers and staff alike in difficult periods. Moving among staff and giving continuous feedback to employees enables them to view leaders favourably. Creating added value for customers in these times can also help (Cangemi, 2011).

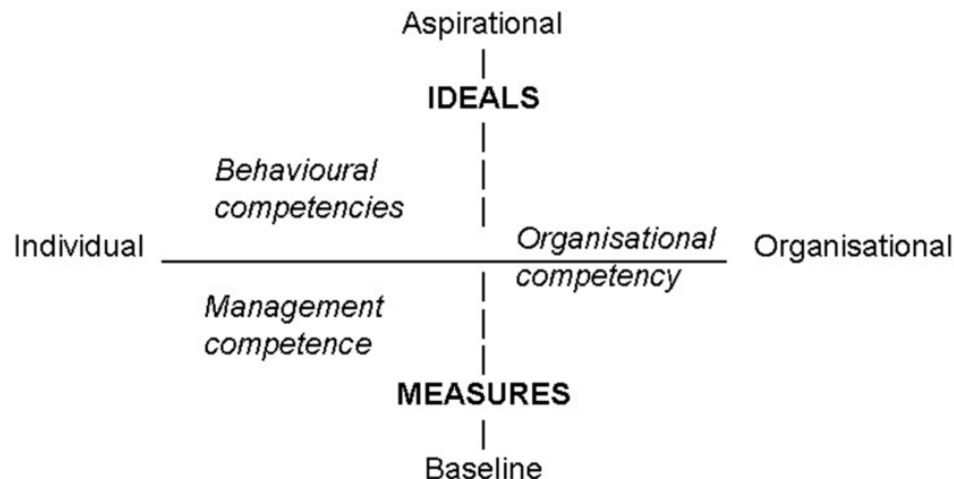
Thus, the reviewed literature indicates that an organisation’s success during challenging times rarely claims a place in existing research. Of those companies that have failed during hard times, some case studies suggest that these companies may have been able to survive with the alteration of some factors, for example, the cases of General Motors and Chrysler. The

literature highlights that change in leadership strategy could have alleviated the dilemma. Seemingly, case studies are limited. According to Petriglieri (2011), leadership is defined in the workplace through three areas: (1) the participant's experience of leading and following, (2) making sense of their stories, and (3) their emotions and the subconscious.

## 2.2.2. The Competency Concept

### ➤ 2.2.2.a. Competency Approach and Concept

The competency approach to leadership (Bolden and Gosling, 2006) promotes further comprehension of competencies history that began in 1960. Various changes were enacted, ranging from economic and political to a managerial concept standpoint (McCelland, 1973), with the McBer Consultancy Group in the 1970s up until the major change instilled by the American Management Association in the early 1980s grounded behavioral and performance terms. Also, reviewing the competency approach and management and leadership debates documented by writers like Zaleznick (1977) and Kotter (1990) declares a shift in leadership competencies emphasis from the technical requirements alone to the work itself, alongside the personal qualities sought from people occupying many levels across the organisation.



**Figure 1: Differing concepts of competencies. Source: Bolden and Gosling, (2006). Leadership competencies - time to change the tune? Leadership, 2(2), pp. 147-163.pdf**

Figure 1 depicts the perception of the competency approach to leadership as a repeating refrain that perpetually offers an illusory promise to rationalise and simplify the processes of selecting, measuring, and developing leaders, yet it only reflects a fragment of leadership complexity. Putting forward this argument, Bolden and Gosling (2006) draw on two sets of data, namely, a review of leadership competency frameworks and an analysis of participant



reports from a reflective leadership development programme (Bolden and Gosling, 2006). Overall, of significant interest to these authors were a genuine personal vision based on self-belief and moral courage; the ethical and social responsibilities of leaders; the importance of self-awareness and reflection; shared, emergent, and situational leadership; balancing leadership dilemmas arising from complex and uncertain situations; the development of current and future leaders, and the impact of wider social change like fluid ethnic identities and national allegiance.

Likewise, these authors propose that it is precisely these varying leadership concepts and representations that require scrutiny. They are pivotal to the processes of sense-making, in which the leader and all other actors in the leadership process are engaged. Apparently, this is only possible through more open-ended discursive, reflective, and experiential approaches. In brief, the competency discourse is not only a repeating refrain. It is also a restraint, hindering the kind of talk that contributes most to efficient collaboration and collective engagement. As such, it becomes a bland noise excessively limited in its vocabulary to fully express the fascination, emotion, and complexities of leadership-in-action (Bolden and Gosling, 2006).

### ➤ 2.2.2.b. Competencies Framework

Whilst reviewing competency individual skills and capabilities are primarily stressed, with a focus on performance and outputs where leaders are seen as a lynchpin because of their ability to manage and motivate others; reflective reports emphasise leadership's moral and relational dimensions. Leaders make sense of complexity and uncertainty on the basis of strong moral beliefs and an emotional engagement with others (Bolden and Gosling, 2006).

Thus, on a semantic level there appears to be a difference between the content of leadership competency frameworks and reflective reports that might limit the ability of the former to meaningfully express the leadership role. The image of leadership conveyed in many competency frameworks could almost culminate in the belief that leaders might exist in isolation, with no need for expressive relationships with others. It is devoid of people's personal beliefs, commitment, or acquiescence (Bolden and Gosling, 2006).

Similarly, highlighting the repetitive refrain of competencies is insufficient. Greater consideration should be placed on reflection, discussion, and experience. Organisations

should present opportunities for their members to articulate and explore their leadership experience. Using a musical allegory, people in leadership roles need to develop their music reading and basic playing skills (competencies), together with their interpretation, improvisation, and performance abilities (emotion, intuition, moral judgement, and experience, among others). However, although the desire to select and measure people in leadership positions will remain, simply adding more terms to competency lists will leave the problem unsolved. It will fail to capture the sense-making nature of such conversations and how meanings emerge and transform over time. At best, a competency framework can only create a simple representation of a highly complex and changing landscape (Bolden and Gosling, 2006).

Providing weight to the body of research exploring the symbolic and narrative processes of collective sense-making in organisations supports a shift from individualistic leadership notions to more inclusive and relational perspectives. Attention should be given to the processes by which such approaches can contribute towards enhanced organisational performance to better understand suitable approach applications. Continuing the music allegory, they may be turned to some effect, like certain composers who have used familiar refrains in new ways to create genuinely innovative and ground-breaking music. Through such an approach it may be possible to breathe new life into leadership practice and performance.

### ➤ 2.2.2.c. Competencies and Leadership Development

Carroll, Levy and Richmond (2008) highlight leadership and leadership development submission to the '*practice turn*' to enable the emergence of a radically different perspective from a competency-orientated view. Carroll, Levy and Richmond (2008) argue that focusing on praxis, practitioner, and practice offers both challenge and transformation to the ways that leadership is bounded and constrained by current organisational and managerial conventions. The implications of a practice perspective for leadership and its development strategy have issued from the recognition that the work of a strategy is disseminated widely in an organisation and that middle and lower level employees engage in strategy practice. Moreover, practice theory suggests two options. First, it can reorient consideration and exploration of the vast bulk of leadership actions or coping that is non-reflective and non-conscious. Second, it could invite more of the non-conscious and unreflective into the

conscious and intentional domain. Here, a dynamic process can link building and dwelling modes. Hence, knowledge is moved from a state of unconsciousness or unawareness into a more active, intentional state before being re-embedded as a new habit set. Giving individuals or groups new ‘tools’ without paying attention to ‘non-thematic circumspective absorption’ would focus on the narrowest point of leadership practice.

Therefore, if leadership-as-practice orients towards what is internalised, improvised and non-self-conscious, then development must be prepared to work with what is ‘*unspoken*’, ‘*inarticulate*’ and ‘*oftentimes unconscious*’. Becoming skilled in a practice is not simply a question of deliberately acquiring a set of generalised capabilities that can be transmitted from one individual to another. Rather, skills are ‘regrown’. They are incorporated into the *modus operandi* of the developing organism through training and experience in particular task performance (Carroll, Levy and Richmond, 2008).

In sum, leadership practice development seems acutely experiential, interactive, situated, embodied, sustained, and relational, creating a new kind of engagement with self, others, and the world. Such engagement is predicated on learning to operate from a dwelling mode, removing any distinction between subject, object, and reliance on mental models and cognitive frameworks. This confirms that while practice clearly has oppositional logic to competency, it will not propose a straightforward or practical alternative. Practice in a leadership sphere, unless replicating leader-centric behaviour, needs to be very sophisticated methodologically to gain access to leadership interactions without the distortion of pre-fixed categories like leader, follower, subordinate, and boss. An exploration of a practice perspective is intuitively appealing because, like strategy, leadership requests ‘*a complementary dialogue*’ between academics’ and practitioners’ agendas, discourses, and audiences. Competency within the current mainstream dialogue (Carroll, Levy and Richmond, 2008) argues, restrains leadership thinking and development, and intercepts further leadership richness, texture, and possibility. Consequently, the practice notion, with its attentiveness to leadership as discourse, identity and *modus operandi*, is sufficiently more aligned and attuned to what researchers, developers, and practitioners will require (Carroll, Levy and Richmond, 2008).

#### ➤ 2.2.2.d. Competencies Benefits

Most companies do not have a clear structure or strategy for leader development (van Dongen, 2014). The HR teams in five firms were asked to devise a structured process for developing leaders to ensure success in the competitive market. The system was progressed to define and locate leaders at different stages (novice, intermediate, and expert) and it established eight factors that develop leaders or talent. Leadership development processes help the organisation to prepare talent for senior positions by improving both transactional and transformational leadership capabilities (van Dongen, 2014). This leads to the formation of authentic leaders who help foster a good relationship between followers, transfer knowledge (experience and expertise), and build a trust and engagement relationship between different levels (Dirks and Ferrin, 2002). Usually, the long-term leadership development process works on competencies and capabilities of leaders or talent. However, a strategy can clarify the urgent skills needed in the short-term to start maturing the team of talents immediately (Hamel and Prahalad, 1996). This ensures the competitive market success for the organisation in terms of developing leaders.

Competency theories link organisational strategy with people and align them with organisational goals (Guggenheimer and Szulc, 1998). Leadership competencies have different meanings, but all describe the different characteristics of people undertaking the work, for example, leadership, problem solving and decision-making. Notably, one definition includes knowledge, skills, and attitudes, accompanying values, orientations, and commitments. Mixing these two kinds of definition, is termed an “attribute bundle” (Guggenheimer and Szulc, 1998). In fact, these attributes are independent topics for scholarly debate. Additionally, there has been much discussion regarding essential leadership competencies for leadership. Lombardo and Eichinger mentioned sixty-seven core leadership competencies and nine essential behaviors (passion, humour, courage, integrity and trust, energy, team building, setting priorities, creativity, and vision) contained in their Career Architect Model. Significantly, the Capstone Leadership Model builds on these nine leadership competencies (Guggenheimer and Szulc, 1998) and is supplemented with management skills and financial acumen.

#### ➤ 2.2.2.e. Organisational Importance of Leadership Competencies

The literature raises the importance of leadership in companies to guarantee that company leaders can invest and develop the business. The organisation can deal with complex

situations and crises, and understand knowledge and information exchange (Pfeffer and Sutton, 1999). This assists in avoiding critical business failure or isolation when tackling change (Chi and Ohlsson, 2005). Harnessing change through leadership links all organisation members (Kotter, 2007) by selecting suitable techniques like SWOT or a learning approach (Hamidi and Delbahari, 2011). It helps form a realistic leadership strategy (Caldwell, 2003), it smooths the transfer during complex stages, and since the leadership is knowledgeable regarding employee dealings, error or chaos is diverted (Weick, 1988). Such active leaders within the organisation are sometimes considered necessary when corrective action is required during change (Weick, 1988). Likewise, leaders prepared with different scenarios reduce the risk to the organisation during this complex stage (Mitroff and Anagnos, 2002). For example, change and uncertainty situations demand leaders provide the organisation with clear communications and ensure all organisational members collaborate. As leaders, they need to be with people during change and crisis (Bigley and Roberts, 2001) to make the balance (Carmeli and Markman, 2010); empower knowledge transfer; enable others to learn from the situation, and supply coaching and guidance. Dealing with challenges and change requires a leadership position of “political entrepreneurship” within the organisation (Björkman and Sundgren, 2005) to control emotional bias (Moore, 2007), and reduce risk to the organisation by setting a pre-determined direction of transforming for change (Cohen, Manion and Morrison, 2000).

Also, evidence has highlighted the importance of dealing with people via dialogue. Dialogue teases out new ideas to share and discuss within the organisation, resulting in improved communications and shareholder decisions that resonate with leadership (Raelin, 2003, p. 75; Yun, Faraj and Sims, 2005; Srivastava, Bartol and Locke, 2006). Moreover, leadership practices have highlighted how to use the ‘four Cs’: concurrent, collective, collaborative and compassionate, that reflect positively on both the leader and employees, and involve quality, innovation, change, flexibility, and learning, among others. In addition, knowledge transfer by learning strategically enhances communication between organisation levels and departments (Raelin, 2003, p. 167). Importantly, leadership can develop and teach others how to improve the team (Wenger, 2000) and to build second-line and talented employees (Yukl, 2012). Isaacs (1993) advises on the change process that could enable leaders to take action whilst avoiding acting on emotions, feeling, and bias. These biases usually emanate when leaders promote a strategy to match with the organisation’s culture, while also gaining new

idea contributions from individuals or groups (Argyris, 1994), and collaboration (Kirkman and Rosen, 2000).

Leadership solves problems through decision-making based on data and information (Bazerman and Moore, 2008). They should use information and confront the concerns of those involved in problem-solving to suit the situation and the organisational culture. In turn, this helps reduce the risk of dependency on stakeholder decisions (Janney and Dess, 2004). Participation in the organisation's decision-making helps leaders to make connections by focusing both on the target and the wider picture, thus avoiding conflict (Sebenius, 2001). Decision-making founded on involving other groups or individuals ensures positive outcomes and a realistic impact (Bazerman and Moore, 2008). Collaboration helps understand employee behavior (Janis, 1973), equalling the organisation's strategic goals with its culture (Bazerman and Moore, 2008). Knowledge and experience are transferred, especially during uncertain times. As leaders, it is important to use dialogue (Schwarber, 2005) with individuals and teams to obtain data, new ideas, to have better channels of communication (Sebenius, 2001), and to coach the second line as leaders by making decisions (Copeland and Keenan, 1998).

Moreover, helping others to make the correct choices and understand the difference between ethical and unethical policies or systems (Schermerhorn, 1996; Bayrak, 2001; Aydin, 2002) is a critical issue for leaders. This helps to retain organisation sustainability (Verhezen, 2010). Leaders must establish an ethical organisation (Lloyd and Mey, 2010) to review and understand the business and its organisational strategy. They have a clear responsibility to find new opportunities that increase business profitability (Kay and Popkin, 1998, p. 337) through creating added value. This culture aspect must be met by the business's stakeholders (Santana, 2012), and requires that senior management bestow empowerment top-down. Undoubtedly, however, the most important task for organisation leaders is to link objectives with ethics that ultimately formulates a company strategy to remain competitive (Freeman, 1984; Freeman and Gilbert, 1988) on the ground (Foy, 2002). It builds trust because it disseminates a sense of moving in the right direction because people comprehend the organisation's values, with consequential enhanced productivity and efficiency (Nashua, 2012).

## **2.3.Systems and Mechanisms for Leader Preparation and Development**

To begin, the overall process of leader development before leadership roles are assumed is reviewed. This identifies the challenges incurred when distinguishing efficient leaders. The process involves addressing the gaps amongst current leadership talents and sourcing ‘high potentials’ to form a pool of potential leaders. This is often referred to as ‘pool of talent’ because it reflects the connection between talent and their high capabilities as leaders. Organisations can tap into the talent pool when leaders are required. It is thus a pre-determined way to develop, mentor, and coach these selected individuals. If the talent pool is to be sustained, however, management must continually invest in and empower leaders to encourage more to emerge.

### **2.3.1. Part 1 - The Mechanisms of Leader Preparation –**

#### **➤ 2.3.1.a. A Pool of Talents**

Clearly, securing leaders requires access to a pool of talents (Collings and Mellahi, 2009). Talent was described as assets in the ‘war of talent’ in the 1970s (Chambers et al., 1998), and in 2012, a survey conducted highlighted the importance of talent for CEOs, showing it was a critical factor for the growth of the business and the organisation (PricewaterhouseCoopers, 2012). Crucially, a culture of building talent brings organisational competitive advantages and drives business success during the current challenging economic climate (McGurk, 2012, p. 11) as evidenced in companies like IBM. Other surveys highlight how both HR and CEOs considered leader development as urgent, essential, and the core of the organisation’s strategic advantage.

To understand the process of preparing leaders, we may need to examine talent or talent management (Collings and Mellahi, 2009). There are many debates about conceptual boundaries regarding talent management with no single consistent definition (Aston and Morton, 2005, p. 30). However, other key streams regarding talent management (Lewis and Heckman, 2006) can be found. The first key stream substitutes the talent management label for HRM by focusing on recruitment, development, and succession planning. The second emphasises development by concentrating on a talent pool that necessitates dependency on individuals’ positions and their progress (Lewis and Heckman, 2006, p. 140). The third looks at the management of talented people targeting “a performer” (Smart, 1999) as it is difficult to differentiate talent management. Additional talent streams accentuate the key positions against the potential, since these impact the organisation’s competitive advantage (Boudreau

and Ramstad, 2005; Huselid, Beatty and Becker, 2005). Therefore, an organisation's strategic talent management view is used where activities and processes help to systematically identify the critical position required for sustaining the organisation's competitive advantage. This is achievable through the contribution and development of talent using the talent pool or 'high-performers' to fill roles. HR can facilitate filling these positions to ensure the continued commitment of senior management and the organisation (Lepak and Snell, 1999, 2002; Huselid, Beatty and Becker, 2005; Becker and Huselid, 2006).

The available literature regarding talent pipelines is unclear with respect to an industry-agreed definition and/or scope. It also disagrees on general purpose and specific uses of talent pipelines within Talent Management (TM). Research shortage means there is no current method to identify the scope of TM or attempt to offer a definition that could be universally agreed within the industry by highlighting the challenges facing Organisational Development (OD) practitioners when utilising TM to support leadership development. Thus, this research study leverages OD as a strategic function of HR to draw out various HR functions and TM challenges to determine competencies programmes' implications within the leadership development context. Further, having identified several lines of research and theory, there is a lack of rigorous and scientific approach to talent pipelines within HR in the literature (Church and Rotolo, 2013). Therefore, this research attempts to complement the current literature in strategic OD and offer collaboration between OD and TM via a strategically-based framework that ties talent pipelines and competencies (Church and Rotolo, 2013).

Resources are very important for development, and they differ between organisations. Resource deployment usually involves a trade-off that can raise debate between TM and OD departments. Fortunately, OD has more opportunities to apply their skills to vital talent issues, which can help to narrow the gap between OD and TM, as both are required (Burke, 1994). Motivating change happens by evaluating and assessing individuals who can help individual and organisational growth. Data should be correctly employed, and this requires OD professionals having a high knowledge and skill level to help the organisation's selection and ultimate succession processes (Church and Rotolo, 2013). Each organisation, with the guidance of OD, should know the most suitable approach for measuring and developing leadership potential. Although there are many debates between TM and OD regarding enhancing leadership potential, there are also examples where the two approaches have worked together smoothly. This is because OD has the skills to impact leadership and the



talent agenda successfully (Church and Rotolo, 2013). This can be achieved in two ways. The first points to developing the right capabilities and supporting insights to enhance leader potential, and the second imparts a systems perspective to the talent agenda.

### ➤ **2.3.1.b. Identifying Leaders**

There are different theories about identifying leaders. Muir (2014) pinpoints four issues motivation, conformity and authenticity, power, and relationships (cited in Luhrmann and Eberl, 2007). Prior to the leader development phase, a cyclic identification process is implemented to detect negotiation, balance, task interaction, and conflict, and returning to negotiation (Jacobs, 2005). Identifying potential organisation leaders is crucial for expanding international competitiveness, core competency, and corporate distinctiveness, and to select leaders from the internal talent pipeline. Having leaders depends on the pool of talent as raised by McKinsey and Company's 'War for Talent' (Mathew, 2015). Meanwhile, Mathew (2015) raises the need for clarification of the importance and preparation of talent. Talent management has gained popularity within many industries and markets, similar to that seen in the late 1990s. This allowed talent management to relate better to human capital management that in turn, assisted in assessing the organisation's strategy. It also links talent management to sourcing, attracting, selecting, developing, and promoting employees within the organisation (Ingham, 2006). Also, the integration of performance within companies to ensure the success of the organisation depends on employees' contributions, which is measured by individual performance (Mathew, 2012).

Meanwhile, Van Dongen (2014) similarly connects leaders or talent to people already employed within the organisation, while Ulrich et al., (2012) specifies that it is those who generate value versus their cost (Goffee and Jones, 2009) who are worthy of stakeholders' attention. Generally, the literature highlights those holding the ability to develop themselves within the organisation, and using their capacity to achieve and adopt responsibility for leadership challenges, who require notice. Nevertheless, leader identification may require current leaders' input and support, alongside replacement plans, especially for the most critical positions. Rothwell (2011) defines replacement planning and its required elements; its importance; the difference between replacement and succession planning; succession management; human capital management; workforce planning, and other programmes. Replacement planning determines whether a person is absent short-term, long-term, or

permanently, and it supports internal backups to ensure emergency availability of responsible and suitable people for critical positions.

Many large companies, such as GE, IBM, 3M, PepsiCo, and some military organisations, have deep historical backgrounds in leadership development efforts (Lewin, 1951; French and Bell, 1990; Burke, 1994;). Such organisations use multi-trait and multi-method assessments. However, Capelli (2008); Silzer and Dowell (2010), and McCauley and McCall (2014), stress the importance of data when OD practitioners employ multi-trait and multi-method assessments, particularly those focusing on specific content domains such as leadership programs through competencies development. Yet such data is often limited to individual cases and is therefore subjective. This shortens the scope for a replicable or scalable approach to leadership development through competencies within the current literature array.

### **2.3.2. Part 2 - The Mechanisms for Developing Leaders**

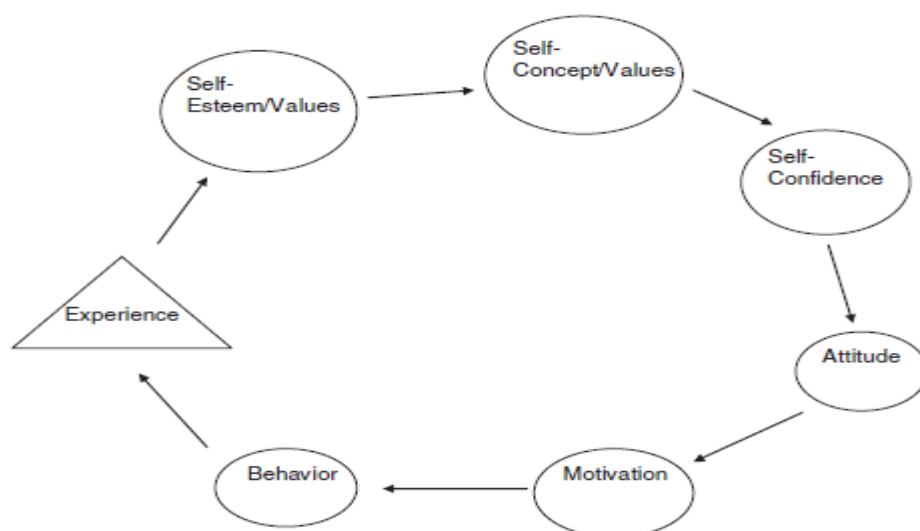
#### **➤ 2.3.2.a. Learning and Development**

Leadership is “learning to create the future” (Patterson, 2015). This statement emerged when Patterson studied leaders’ reflections of their experiences. Patterson concluded that reflection is a critical element due to its creativeness that fuels other processes to release potential and mould new ideas. Reflection supports leaders’ learning processes and their actions. Using experience as an inventive, yet structured, complete intelligent thinking process, self-transformation is enacted if the leader sample quality is sufficiently high. Self-reflective experience is a powerful weapon that can positively alter the world of work. The new Volatility, Uncertainty, Complexity, and Ambiguity (VUCA) environment (Johansen, 2012) requires leaders to capitalise on the potential and possibility held in delivering the day-to-day future (Patterson, 2015). All leaders studied agreed that leadership, in terms of the four levels of human relationship: self; others; organisation, and leading in the wider system, should help inspire the creation of future daily work improvement. They also agreed that personal characteristics, like personality traits and personal values, beliefs, assumptions, feelings, and behaviours, control and shape leadership style and the nature of experience.

Learning to become a leader is deeply rewarding, although at times it is intensely challenging. While a journey of overlapping personal, professional, and collective growth and development determined according to the leader’s choices, learning to reflect has a

supporting role (Patterson, 2015). However, the word ‘reflection’ is confusing, with numerous definitions. Most traditional leadership development approaches assume that reflection in this sense is dull or static. Conversely, contemporary approaches view reflection as a structured thinking step process, using open questions to explore experiences and contest initial reasoning. In sum, reflection is defined as intentionally creating thinking, leading to a different kind of structured thinking with rigour and a process that allows leaders to learn from experience and develop new understanding(s) to be applied to the world. For Patterson, (2015) reflection is learning from experience “either good or bad and to put it into practice”. More significantly, Patterson (2015) perceives reflection as promoting deeper understandings predominately about self (66%); self in the world (11%); about others (8%), and the wider business context (15%). Patterson (2015) shares other views when he states that such reflection is a creative active process that emerges novel ideas, connections, feelings, actions, relationships, services, products, or solutions that superimpose past patterns and errors.

Ross’s (2014) study revealed a Self-leadership Development Model, whose dimensions and interrelatedness assist personal growth through a dynamic process. Figure 2 below shows the dynamic cycle or sequence of the main dimensions of the Self-leadership Development Model, which are both mutually reinforcing and complementary (Ghiselli, 1968; Knowles, 1984; Swann, 1985; Weick, 1995; Lord and Brown, 2001; Kark and Dijk, 2007). In addition, Rose (2014) studied influences on the self-leadership development dynamic cycle (Figure 3).



**Figure 2: The dynamic cycle of the Self-Leadership Development Model. Source: Ross (2014)**

Figure 2 discusses psychological paradigms by breaking down the influences of leadership development into identifiable dimensions of personal values. It then details the effect that

personal values, self-esteem, and self-concept have on each other. This represents a dynamic that works in unison because these dimensions are mutually reinforcing (Ghiselli, 1968; Knowles, 1984; Swann, 1985; Weick, 1995; Lord and Brown, 2001; Kark and Dijk, 2007). For example, a good work ethic/value is associated with positive self-esteem and self-concept (feeling and thinking good thoughts about oneself). This triggers the dynamic cycle illustrated in the above Figure. Thus, modifying a person's self-esteem/values and self-concept/values are the critical focal points (Spreitzer et al., 1995; Roberts, Wood and Smith, 2005) in any leadership development training program because of the positive repercussions. According to Ross (2014), this leadership development process helps individuals and organisations who understand such methodology become self-leaders. They control situations, provide rewards after achieving goals, and develop other leaders. This is achieved using a conceptual model to study the main dimensions (e.g., self-esteem) of self-leadership and the interrelatedness of these dimensions (Ross, 2014).

#### ➤ **2.3.2.b. Mentoring**

Apart from identifying potential leaders through learning to self-reflect and from possessing the requisite tools and skills, they can additionally be discovered through informal mentoring programmes forming part of the overall leadership development programme (Hegstad, 1999; Hegstad and Wentling, 2004). These mentoring programmes usually occur between highly experienced and less-experienced organisation members, and promote both personal and professional development using coaching, support, and guidance (Mullen, 1994, p. 259). Hence, they assist in transforming knowledge (Muir, 2014).

Meanwhile, Muir (2014) investigated mentoring programmes, seeking to understand how leaders could be developed via the programme. The research paper studies short-term leader development using a case study approach by discussing three themes emerging from the data. It employs competency theories, for example, leaders identify the mentoring partnership; managers identify development through critical learning moments; leaders identify development through self-knowledge. McCauley and van Velsor (2004) cite three leadership development process areas: self-management capabilities (allowing people to develop more efficient ways of managing themselves); social capabilities (the ability to build and maintain relationships in work groups and to develop communication skills), and work facilitation capabilities (ability to think and act strategically, creative thinking capacity, and initiation and change implementation capacity). Mentoring has many variables (Levinson et al., 1978),

resulting in many benefits for both the protégé and the mentor. Accordingly, organisations could impact the effectiveness of managers directly through running valuable mentoring programmes (Thurston Jr, D'Abate and Eddy, 2012). Among other reported benefits are learning (Finkelstein, Allen and Rhoton, 2003), and seeing mentor functions as sources of knowledge. As such, mentoring accesses tools to expedite knowledge transfer in the organisation and avoids its loss. Mentoring effects and the mentoring role in leadership development politics is discussed by Blass and Ferris (2007), in conjunction with the efficiency of this particular leadership theory in developing the protégé.

This is the point at which particular attention needs to be given to the starting time for leadership development and talent management mentoring. Throughout the process of leader development, with or without formal roles, intense training should prepare and develop the person's capacity for solving unforeseen problems (DeGeest and Brown, 2011). Previously, this had depended on expanding the collective engagement of the organisation's members in the process and roles (McCauley, Moxley and van Velsor, 1998). However, McCauley addressed this assessment with both challenge and support. Indeed, it does promote awareness of an individual's performance, and it identifies knowledge, strengths, and weaknesses. However, the problem as defined by McCauley, Moxley and van Velsor (1998) is that it forces people out of their comfort zone. Support is still required (e.g., Daresh et al., 1989; Hill, Del Favero and Ropers-Huilman, 2005; Blass and Ferris 2007; Ladyshevsky, 2007) including mentoring, executive coaching, and networking.

### ➤ 2.3.2.c. Coaching

Coaching helps people during major transitions. This is especially true regarding personal development, goal attainment and/or changing roles (Bond and Naughton, 2011). This coincides with the leader requirement at all levels and from all backgrounds (Megginson and Clutterbuck, 2005; Jarvis, Lane and Fillery-Travis, 2006; Clutterbuck, 2007; Hunt and Weintraub, 2007). Coaching executives yields more effective leaders (Kampa-Kokesch and Anderson, 2001; Kampa-Kokesch, 2002; Dagley, 2006-) and supplies high returns (McGovern et al., 2001). Coaching reasons, according to Giglio, Diamante and Urban (1998) and Stern, 2004) include minimising the derailment risk, which can involve failure (Nelson and Hogan, 2009), improve personal development, and develop abilities, attitudes, and values (Charan, Drotter and Noel, 2011). It also limits inappropriate leadership behaviour regarding new technologies and innovation (Goldsmith, 2009). Bond and Naughton (2011) studied

coaching significance in the light of leader challenges. This issue was studied in the early 1980s (Wolf and Sherwood, 1981) and was confirmed by the Chartered Institute of Personnel and Development (CIPD) surveys thirty years later (Development Dimensions International: DDI, 2007).

Passmore (2010) claims that leadership coaching can help in various dimensions. Some of these include practising theories; enhancing skills; developing self-awareness; enhancing manager motivation, and strengthening personal confidence (Evers, Brouwers and Tomic, 2006) through well-being, developing new creative responses for current and future obstacles (Cavanagh and Palmer, 2009), and encouraging exploration (Kemp, 2009). In particular, leadership coaching involves integration; transition coaching (internal and external support) and leadership transition coaching; specific challenges of adopting a new leadership role; wide-reaching effects of leadership appointments throughout and beyond the organisation, and on-boarding coaching (equipping a new leader with the knowledge and skills required for integration) (Bond and Naughton, 2011). It is therefore correct that leadership coaching may be treated as an HR tool, since it enables organisations to provide learning experiences through both integration and transitional coaching, but the most significant opportunities may come from synergy development between talent management and leadership transition. This is clearly evidenced when leadership coaching is perceived as a leverage tool to achieve competitive advantages (to the end) and mitigate business failure.

#### ➤ **2.3.2.d. Management Investing and Empowerment**

Hollis's (2007) case study highlights the positive return of human capital and the impact on the Total Shareholders Return (TSR) that increased both leaders (shareholders) and employees' engagement. This case was applied by the Avnet CEO Directive to the Board of Employees' development instruction and succession management to create an organisational norm culture. Following the company's experience after World War I, its employees were motivated to assist during critical stages. As such, it was the impetus for developing the executive programme for employees holding critical positions. The organisation had therefore invested, with workers' development as the main goal. The investment return was added value and the organisation could culture build, with consequential positive impacts on performance improvement. Investing in people's development leads to success, so organisations should benefit from discretionary efforts and developing talents. Thus, Avnet is an example of employers' commitment to help employees improve personally and

professionally, culminating in organisation success. Decreasing staff turnover in the long and short-term and increasing quality and productivity secures more on the bottom line (Bilbrey and Jones, 2010).

Nevertheless, the need for current leaders to invest in developing leaders is different in some areas that do not incur heavy assessment costs, such as informal talent networks (Van Dongen, 2014). Other areas have a higher cost of investment in assessment, for example if psychometrics are utilised to enhance, attract and recruit staff to add value for the organisation from enhancing individuals' development and organisational engagement. However, Boxer (2011) emphasises that leaders need to shift the underlying sentiment toward more sustainable practices. Implementation challenges can be faced when dealing with obligatory and externally imposed (OEI) issues. Preparing leaders to create a sustainable future involves providing study components dedicated to understanding how leaders inspire planned sustainability initiative implementation (Boxer, 2011). Leaders need to cultivate personal skills to stimulate others to adopt appropriate behavior for a sustainable future such that changes occur as planned. Altering the underlying mood is achieved through the CEO's personal leadership and subordinate leaders at all organisation levels. Leadership behaviors may be progressed through a personalised, iterative learning process, where the employee is coached over time. Appropriate learning is captured in a personal learning journal.

## **2.4. The Value of HR in Preparing and Developing Leaders**

This section of this Literature Review assesses HR's organisation value. First, it reviews the collaboration of HR and OD departments to ensure success in developing leaders to gain understanding of organisational needs and specifically, the HR role during change and uncertainty. Second, different models and frameworks used to prepare leaders of the future are explored. Third, leader development models are investigated, and Part 3 concludes by highlighting the value of HR to the organisation. These aspects extend to developing countries in addition to those in the West. This is because every country needs to avoid risk in particular situations. Upon reviewing the literature, it was noted that more research is undertaken on this topic in America and Europe than in developing countries. Hence, there is a clear research gap concerning the HR role in developing countries. This is an issue because Middle East countries and Africa have hugely different environments and cultures compared to advanced countries like America and Europe.

### **2.4.1 HR and OD Collaboration**

Preparing people for future leadership positions is important, but it also needs to be aligned with employees' personal career growth paths. Additionally, the likelihood of the team holding competitive advantages depends on its management's abilities (Rothwell, 2011). Reviewing the literature clarifies that using HR to attract, develop, and transfer knowledge also arms HR with efficient tools to manage developing, rewarding, and retaining talent. However, van Dongen (2014) outlines an alternative approach, whereby the main focus points for HR were to prepare leaders to handle current concerns and anticipate future challenges to ensure survival and success within the local and global marketplace. According to van Dongen's (2014) Heart Model, Return on Investments (ROI) is considered crucial for any learning development program when considering HR approaches to competencies development. This is because organisational competitive advantages are perceived through ROI. In this way, HR has critical added value, particularly in developing countries. It permits management to visualise and contextualise the ROI of leader development programs.

Whilst having a leadership pipeline, an organisation also has to identify its key people, termed 'high-potential employees' (HIPO) to take the lead. This supplies flexibility and reduces risk. It can be done through high development programs for leaders. All organisations need leadership development to set directions and to commit to their business's success. There must be trust, communication, and empowerment (Kirkland, 2009). Good practice can be seen in Basic Blue for IBM Leaders, Shades of Blue, Accelerate Executive Leaders programmes for new executives, and Executive Insights for newly hired or acquired executives. IBM uses these to identify, assess, and develop leaders, and the company sends potential leaders for training worldwide. The most effective training practices (Rifkin, 2011; Colvin, 2012) focus first on senior management's dedication to training and development so that training becomes part of the corporate culture. Second it attends to progressing training tools tied to the business strategy and objectives while linked to bottom-line results. Third, it promotes fostering an organisational environment that is feedback-rich; stresses continuous improvement; promotes risk-taking; offers one-on-one coaching, and allows learning opportunities to learn from decision successes and failures. Lastly, there is a commitment to investing the necessary resources, and to providing sufficient time and money for training.

The responsibility of HR in the strategic process of preparing leaders remains unappreciated (Ray et al., 2012), and requires a road map that can be internally reviewed. HR is accountable



for the most important strategic processes involved in the organisation's future. Traditionally, the HR function has not always controlled the process strongly, nor has it had the required expertise to manage the process strategically. This leads to a lack of gratitude for HR's role in organisational success (Ray et al., 2012). This is an area ripe for development within the wider HR arena. Therefore, undergoing an internal review should encourage the organisation to have clear policies and procedures to help both it and the individuals who work within it.

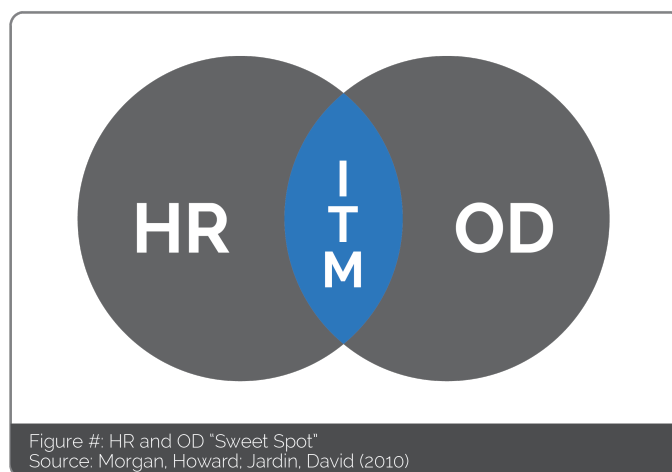
If internal OD and HR departments co-operate, the organisation value increases and continuous learning and knowledge transfers to the next leader generation (Reynolds, 2010). Equipped with appropriate knowledge, tools, and techniques, leaders improve performance and provide greater executive support. Combined HR and OD departments can find solutions (Reynolds, 2010) under the HRD umbrella. Merging HRD and OD creates power, involves employees, and develops innovation and knowledge. Engaging employees in the business ultimately improves it, and its people are beneficially supported.

Currently, global OD suffers from language barriers, causing misunderstandings and weak communication. Other issues include high levels of bureaucracy and corruption, low flexibility, skills motivation, rewards, selection and development of employees, decision-making, planning, and technology problems. OD values should be developed in the context of cultures and sub-cultures (Church and Rotolo, 2013). Leaders should adopt sustainable practices, which require studying implementation plans for leadership training, and should have the skills to inspire others to adopt the required actions to cope with change. The CEO and other leaders in the organisation should be developed through personalised and iterative learning processes over time, where learning results are published in personal learning journals to ensure success for others (Boxer, 2011). Based on Bilbrey and Jones (2011), future leaders that were described as talent can be developed by conversations at different levels to increase the quality of staff and decrease turnover. The development process for leaders of the future starts by identifying employees' motivation, strengths and opportunities, and aspiration levels.

#### **2.4.2. HR and OD Models and Frameworks for Preparing Leaders**

The literature provides limited insight into the HR organisational function and OD connection, which can often be highly complex (Schein, 2010). Both functions evolve in response to many conflicting global forces. Applying both OD and HR in tandem produces excellent results that differ negatively when they operate apart. OD is an innovation-oriented

function, while HR is stable and conservative. This asymmetry significantly impacts the relationship between OD and HR, but dealing with challenges systematically reduces failure (Muir, 2014). Cultivating successful leadership is difficult yet significant for the organisation because it requires individuals' participation in creating a leadership development process, for example, the five assumptions of the adult learning process instigated by Knowles (1980). To work effectively, this needs a supportive environment for learning and sharing. Contemporary organisations often practise this through the integration of both HR and OD functions through Integrated Talent Management (ITM) (Morgan and Jardin, 2010). This is illustrated in Figure 3 below.

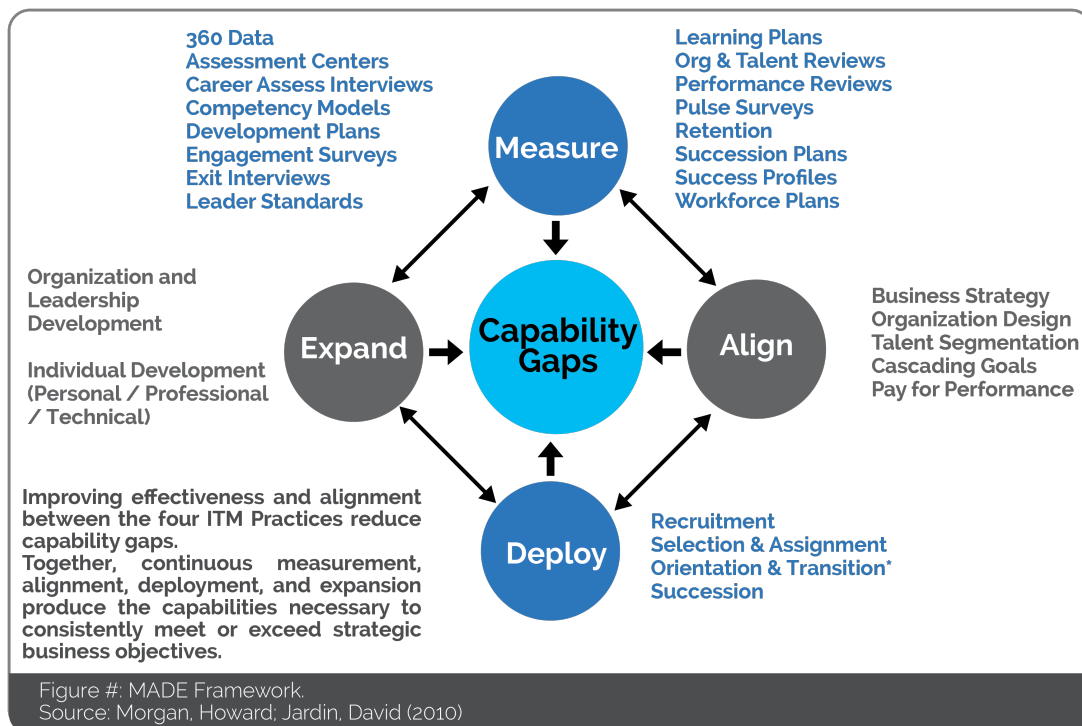


**Figure 3: HR and OD “Sweet Spot”. Source: Morgan and Jardin (2010)**

The ITM model (Morgan and Jardin, 2010) displayed in Figure 3 above and the MADE Framework in Figure 4 below accentuates how the HR domain could acquire, deploy, develop, and most importantly, retain talent. It argues that the OD domain needs to concentrate on value creation through culture leveraging, designing learning opportunities, and creating support strategies for competencies. Also, it must build succession planning for employee engagement. Moreover, integration creates vital links for organisations' strategies in terms of talent acquisition and management that upholds ITM as a platform. This involves four collaborative practices:

- Measuring the organisational and individual capability gaps
- Strategy alignment, organisation design, and people

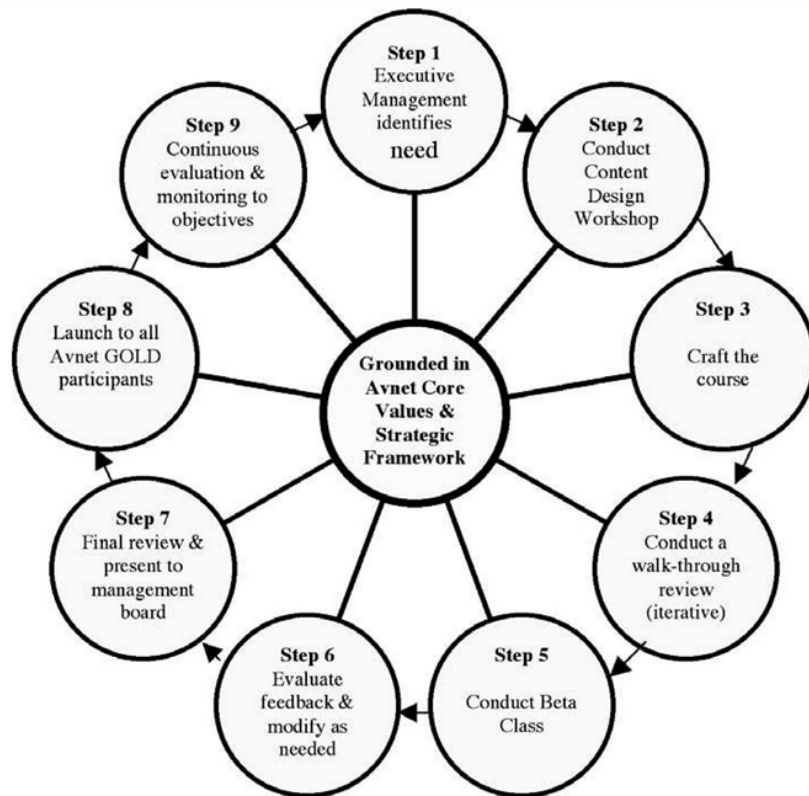
- Critical talents deployment, and
- Expansion of organisational and individual capabilities



**Figure 4: MADE Framework. Source: Morgan and Jardin (2010)**

### 2.4.3. HR and OD Leader Development Frameworks

Reviewing Muir's (2014) framework reveals his study was founded on an insider researcher focus and utilised the Lay Ecclesiastical Ministry Leadership Programme (LEMP) as its leadership training program framework. This program develops leaders within 3-5 years. It accentuates communications, vision, and the leadership role by enhancing leaders' understanding of it and ensuring that they understand the situation through increased collaboration. Muir's program sheds light on HR's ability to assist through its inbuilt strategy for program mentoring via assessment to identify strengths, weaknesses, and opportunity in leaders. Hollis (2007) employed the Model with leaders-as-teachers, progressing through nine steps. These are indicated in Figure 5 below.



**Figure 5: Leaders-as-Teacher Model. Source: Hollis (2007)**

The OD perspective helped to apply this model from within the teacher faculty to public and private organisations. Experts and leaders share their knowledge to train future leaders using innovation and engagement methodology (Hollis, 2007). Evidently, executive leaders' engagement in this model during the analysis, design, development, and implementation stages contributed towards its success. This encourages change and establishes a common culture within a global organisation. The OD leader possesses a crucial role and must have the knowledge and/or tools to support the executives for heightened performance, while the internal practitioner representing executive leadership perpetuates continuous learning and increased employee and shareholder engagement. Hollis (2007) identifies some important points, such as the Global Organisational Leadership Development Programme (GOLD) that fosters senior level development and forges collaboration between HR, training, OD, and leaders. It also links this with the executive team through process and implementation. The model increases communication between functions and leadership development. This is a critical outcome, and it requires further collaboration and communication from HR/OD across all business functions to match programs possessing organisational culture.

#### **2.4.4. Organisation Value of HR**

From its internal position within the organisation, HR aids the senior management and the organisation to handle challenging uncertainty. However, if the HR function itself is confronting business challenges, necessary stability processes are required for it to operate efficiently in a development environment. Although constant and regular operations in HR are important, it is even more crucial for HR to comprehend control of the change process to upgrade the business's competitive advantage. This requires effective assessment and monitoring the company and its willingness to change, preparing a framework, implementing and following up the change, sustaining power, and determining the appropriate time to institutionalise change. To do this, HR professionals require specific information, skills, and qualifications to identify and work through change and make it successful (Hanson, 2013). HR's ability is threatened by resistance or incapacity in dealing with change. HR professionals should possess attributes like knowledge, skills, and abilities to identify, adapt to, and cope with changes. In the SHRM 2007 Change Management Survey Report, only 23% of companies utilised HR full-time to change management programmes, and 77% dealt with change on an *ad hoc* basis (Hanson, 2013).

The HR role is especially important in a complex economy. Talent demand, new skills and expertise at all organisation levels necessitate a conscious approach to talent management to attract, develop, and retain people with the desired skills to meet current and future organisational needs, alongside leadership position preparation (Mathew, 2015). Senior management and HR fill the talent gap and align it with directorate plans and team growth. Alignment is achieved when staff are offered opportunities to understand the strategic impetus of organisations. Burke (2016) points to the psychological empowerment as a human resource management concept, relevant to both developing and developed countries. The involvement of both human resource management and managers to increase feelings of psychological empowerment in their employees is important. Supervisory behaviours and organisational cultures must change to achieve this. Further, Rowden (1999) found three different HR roles within the strategic planning process: advocator, stakeholder, and facilitator. To clarify, the HR advocate is involved in the strategic planning element of the process and the force behind it; the HR stakeholder represents the organisation's HRM needs whilst planning the process; and the HR facilitator enables the process (Mamman and Somantri, 2014).

Meanwhile, following their work on HR roles, Ulrich, Younger and Brockbank (2009) advanced an option typology that could be applied within any organisation when structuring HR. The first typology rests on a scenario where the HR function is organised into the business structure, namely, holding company; single business; diversified/allied business. The second embraces a scenario where HR is organised by splitting the function's activities into two parts, transactional and transformational, and delivering the function according to different roles and responsibilities. These are centre of expertise; corporate service; embedded HR; operational HR, and service centre (Mamman and Somantri, 2014).

Mamman and Somantri's (2014) research findings highlight six main culture change objectives needing achievement before the next transformation stage: (a) develop openness and transparency; (b) build accountability for results; (c) establish a merit-based reward system; (d) build world-class capabilities; (e) drive the transformation vision, and (f) support and develop future leaders. It is essential to embed these into day-to-day work, especially for breakthrough projects. All cultural change objectives require HR to play a key role, especially in their implementation. To achieve this, HR needs to play a part in developing the following corporate-level people-management strategies: 1) implement organised and consistent employee development to ensure competencies, skills, dedication, high performance, and productivity of all employees; 2) develop competitive welfare and remuneration; and 3) establish and develop a broad and secure employee relations environment (Mamman and Somantri, 2014).

Currently, most organisations confront uncertain times (Dequech, 2004; Sheehan and Sparrow, 2012) due to economic confusion, financial constraints, and volatility arising from the global financial crisis (Bresser-Pereira, 2010; Rajan, 2010; O'Reilly, 2011). All major forces affecting employment in the next twenty years already exist (Meister and Willyerd, 2010). Ruona and Coates (2012) argue that future forces are stretching HRD and positively stimulating it to impart creative action and change. It is noticeable that in an uncertain world, HRD expenditure tends to decline, especially during economic recessions, but will not generally decline over the long-term. The competitive pressures on HR to deploy well-trained workforces that can innovate constantly will remain. Changes in labour market structure, for example, more usage of labour-market intermediaries, in organisation forms like vertical hierarchies and networks, in social trends, such as more flexible work arrangement demands, and high growth in social media tool use and technology advances, for instance, cloud

computing, smartphones, tablet computers, expect constant attention in the design and delivery of HRD initiatives. Technology-delivered instruction and social-learning tools are two such innovations, and more are imminent (Cascio, 2014).

## **2.5. Literature Summary**

This Literature Review has highlighted similar cases and generated ideas to reach an overall picture in response to this study's three research questions. Reviewing the literature assists in understanding the importance of the leaders' concept for the organisation in ensuring effective handling of change and uncertainty. The review uncovered mechanisms to prepare and develop leaders and the crucial value of the HR department in talent pool development to provide potential leaders when needed. It was also discovered that investment in training and development does not necessarily require extra time or special budgeting. Rather, it has become part of the business continuity process.

Cascio (2014) flagged up different models matched with different companies and concluded that companies tend to focus on internal succession planning at all levels. Indeed, organisations concentrated on promotion and encouraged managers to develop their subordinates. Another company offered courses for staff involving leadership skills that all senior executives require, such as presentation skills, project-management skills, and financial literacy. Further, Cascio highlighted IBM's unique experience regarding innovative leadership development and cross-discipline mentoring. From reading the literature, it was determined that linking HR and OD departments enables organisations, particularly those in developing countries and their management to succeed in designing, preparing, and developing leaders. The OD role helped current leaders achieve their objectives by using a small group of executives to design courses that were delivered by C-level instructors. These drove the strategic business imperatives aligned with the company's strategic framework. Such programs enhance the leader engagement such that they deliver their desire to potential leaders through their heightened learning, evaluating, and selecting capabilities. The importance of this process is the program outcome, the participation of the current leaders in the program (buy-in), and opportunity creation for the continued learning and growth of high potential talents or leaders (Hollis, 2007).

On a negative note, there is a gap in leaders' competencies. Arguably, this is because the leadership conveyed in many competency frameworks implies that leaders exist in isolation,

with no need for meaningful relationships with others, and no belief, commitment or acquiescence (Bolden and Gosling, 2006). To combat this perception, the Literature Review accentuates the need for the organisation to develop linkages within it that match the organisational culture.

Similarly, there is a literature gap relating to leader preparation and development mechanisms. Leadership potential depends on defining, measuring, and cultivating potential. Developing potential at different levels is achieved through implementing programs, processes, and interventions where career dimensions like leadership and functional capabilities are considered the most efficient means of identifying potential. Another dimension is growth, including learning capabilities and engagement, via developmental experiences and collaborative career planning. This dimension could potentially be harder to implement, but has longer-term positive results. Also, a foundational dimension plays an important role through the use of feedback tools, self-awareness enhancement and adaptive skill-building processes. It improves procedures, as personal characteristics are hard to change.

Research into the HR role in developing countries is still neglected, with their unique organisational environment being overlaid on models derived from western countries like America and Europe (Mamman and Somantri, 2014). The challenges of HR roles in developing countries are magnified due to challenges identified by Johansen (2012) in his VUCA model. According to the literature reviewed, the HR practitioner's strategic role in the organisation requires greater research attention (Ulrich, Losey and Lake, 1997; Ulrich and Brockbank, 2005). This is especially important to be effective in integrating organisational strategy (Mamman and Somantri, 2014). This may need HR professional development, and Bailey, 2015 highlights the importance of professional participation in continuing professional development, including HR practitioners (Farmer and Campbell, 1997; Friedman and Phillips, 2001).

Therefore, whilst endeavouring to fill the literature gaps identified in the preceding paragraphs, this research study crucially attempts to determine the added value of the HR role in organisations in producing prepared and developed leaders. The study investigates possible opportunities for HR and OD departments to collaborate and use their valuable interdependencies and complementary skill sets, knowledge, and roles to leverage their unique purview of the whole organisation. Moreover, the study aims to create sets of



processes within a comprehensive framework that address the gaps identified within the existing research. Ultimately, the study formulates a different model to be followed when developing leaders that closely aligns with the organisational culture that will help leaders deal more effectively with uncertainty and change.

## **Chapter 3**

### **Methodology**

#### **3.1. Introduction**

The pervious chapter reviewed the development of leaders concept. It also discussed the HR department's role in identifying and progressing leaders of the future and different frameworks and models that could be used for this purpose. Chapter 3 articulates the theoretical framework and design for this research study through presenting the research objective, philosophical assumptions, research design, research questions, sampling, data collection, and data analysis methods.

The primary objective of this research is to select a suitable model that incorporates the HR and OD departments' role to identify, prepare, and develop leaders in ES. ES is an organisation located in a developing country that operates under risk and uncertainty. Therefore, Chapter 3 details the research process, outlines the research phases, explains the process, and reflects on successes achieved whilst acknowledging the study's weaknesses. Conclusions are drawn on the findings obtained and the research process conducted.

#### **3.2. Research Paradigm**

Put simply, the research paradigm is an explanatory framework/structure used to discuss or explain a phenomenon. Discourse develops the paradigm (Freshwater and Cahill, 2016). Every researcher has an ontological stance or a view of the world. It can be either nomothetic, assuming that reality exists independently or objectively as a structure, or ideographic that considers the world as socially constructed and understood according to participants' perceptions. Meanwhile, ontology creates ideas regarding valid knowledge. Epistemology studies the nature, sources, and limits of knowledge (Freshwater and Cahill, 2016). The main question in epistemology is what should be added to convert beliefs into knowledge (Klein, 1998; 2005).

The research process starts with ontology, which drives the epistemology. Positivists with nomothetic ontology believe that science and the research process are value-free. They are independent of their observations and are concerned with eliminating bias. Conversely, non-

positivist or interpretivist researchers care about values, facts, and understanding truths (Weber, 1947). They maintain that existing bias can be explained and addressed and they try to ensure transparency in their research (O'Leary, 2004). The interpretivist approach includes phenomenology (Remenyi et al., 1998), hermeneutics and social constructionism (Easterby-Smith, Thorpe and Jackson, 2008). Its principal weakness is its failure to distinguish between the different methodologies (Goulding, 1998). On reviewing the paradigm literature, I discovered that paradigms have been frequently debated over the years. For example, Kuhn (1970); Lakatos (1970), and Qiu, Donaldson and Luo (2012) criticised the paradigm revolution, as they preferred paradigm persistence, composed of continuity, elaboration, and an extension of the paradigm. Popper (1972) adopted a contradiction and paradigm falsification approach, while Chalmers (1999) called for falsification rejection through a continuously revising “protective belt” to protect hard-core components from falsification. Practically, research can be quantitative that suits a positivist approach or qualitative that connects with an interpretivist approach, and is based on the nature of the data. Jackson (2015) concentrates on the problems facing qualitative analysis and the inequality between it and quantitative analysis in psychology, while Landrum and Garza (2015) focus on the increasing reliance on qualitative and mixed styles. Madill (2015) criticises and disagrees with these authors. Some authors consider qualitative research to be a transformation of a positivist-oriented, old paradigm to an interpretive, constructionist, feminist, critical, and postmodern new paradigm research form (Lincoln, Lynham and Guba, 2011), and Madill (2015) rejects the qualitative approach as a distinct method or a paradigm.

Although the paradigm-driven approach helped design research projects that used interviews consistently, it is limited in its ability to “capture the complexity represented in the field of qualitative methodology” (Roulston, 2010b, p. 51). This is possibly because qualitative research is a transformation from a positivist oriented, old research paradigm (Wolgemuth et al., 2015) to an interpretive, constructionist, feminist, critical, and postmodern one (Lincoln, Lynham and Guba, 2011). It is a ‘methodology-as-philosophy’ study with paradigmatic research design decisions (Hammersley, 2011) where the research theory influences aspects of design, method, and criteria, while also negotiating the ethics and the results.

However, Roulston’s (2010a, 2010b) approach described qualitative interviews in terms of their theoretical orientations: neo-positivist, romantic, constructionist, postmodern, transformative, and decolonising. Based on her approach, Wolgemuth, (2015) studied

participants' qualitative interview experiences, and requested their views on different orientations, methods, topics, and the possibility of applying Roulston's interview orientations. The findings guided me in the interview stage of my research. When I was selecting, I chose case study methodology to investigate a particular phenomenon because case studies most accurately reflect the real-life situation (Remenyi, 1998). I found many definitions for case study research: for example, Yin (2009, p. 18) defined case study as: *"An empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident."* Creswell (2007) defined it as: *"Understanding the case or cases by interpreting the data. It helps with understanding a research point or topic which currently exists by answering questions and empirically investigating events based on knowledge and collecting and analysing data."*

### **3.2.1. Philosophical Assumptions and Interpretative Framework**

Philosophical assumptions improve research outcome due to its varied results based on the utilised philosophy. Philosophical assumptions identify a suitable research approach towards conducting the research, question topics, and knowledge needed for data collection and analysis. Such assumptions form the road map for this research study. Pertinent philosophical assumptions for this study are ontology and epistemology. These are discussed in detail in the following sections.

#### **➤ 3.2.1.a. The Ontology Concept**

The ontology concept is a philosophical assumption about the nature of reality and the main ontological arguments. It is essentially an issue, or problem-based assumption (Creswell, 2014). Ontology holds four positions, realism, internal realism, relativism, and nominalism. Easterby-Smith et al., (2012) contend that these four ontology positions oppose each other. Realism consists of signal truth and can be revealed. Internal realism is obscure truth, relativism states that many truths and facts rely on viewpoints, and nominalism does not consist of truth and facts, but human creations. Constructionist research designs are linked to nominalist ontology. This research study rests on nominalist ontology, where I begin my research with the assumption that there is no absolute fact and truths, and research participants provide the human creations of truths through narrating their experiences. Easterby-Smith, Thorpe and Jackson (2012) caution that using nominalist ontology in leader preparation and development research may not reveal the truth as it usually draws attention to

different factors concerning leader preparation and development practice. Specifically, implementing nominalism ontology involves the researcher and participants being engaged in an “inquiry and reflection process into their action for the purpose of interpreting the knowledge that has been produced and arriving at new insights and actions” (Gioia and Chittipeddi, 1991). Monk and Howard (1998) posit that participants’ varied backgrounds in the research would provide different perspectives and present a rich picture of the problem. Similarly, my participants’ diverse experiences in the management of preparing leaders would build an in-depth understanding of the problem and enable the discovery of a suitable solution that can fit the studied organisation. This also matches Coghlan’s (2001) appraisal.

### ➤ 3.2.1.b. The Epistemology Concept

Whilst ontology is an assumption about the nature of reality, epistemology recognises different ways of knowing the world (Denzin and Lincoln, 1994). Social constructivism forms the epistemological inquiry into the nature of the problem that this research study investigates. Throughout this study, participants reveal their ideas about preparing and developing leaders for the organisation. Participants provide their opinions on the importance of involving the middle management, top management, and the HR and OD departments in the process to establish the necessary changes in leader preparation and development practice. Hence, social constructionist epistemology has impacted my research study because it has helped to identify the nature of the problem and to consider all the factors (Creswell, 2013) affecting stakeholders and middle management in leader preparation and development. A subjective meaning is expressed by the participants rather than an objective meaning, and their experiences explain their behaviours. In so doing, the understanding of the current situation becomes more acute because hidden issues are identified, and a holistic picture of the situation is obtained. This in turn, permits the implementation of suitable actions to solve the issue.

Following on from this, the associated interpretative framework for this study is a transformative change framework. This is because the research contains a series of actions and activities that can introduce change in leader preparation and cultivation within the organisation. This framework is embedded in an action research approach cycle with the collaboration of the research participants who expressed themselves in a focus group (Creswell, 2014). The action research required engagement of the stakeholders (top management and middle management) at the analysis stage of the research and also through

reflection and reflexivity. The actionable knowledge was generated from the experiences of the participants throughout the interview discussions. This is further discussed in subsequent sections.

### **3.3. Research Design**

Good research is consistent. It starts by identifying research objectives, then working to achieve these objectives through a strategy case study, which follow a framework and the overall direction of the case study research. I began by determining research questions or the ‘problem’, according to the literature I had reviewed on the topic and the gaps I had observed therein. This research is based on three correlated aspects: the conceptual framework that develops the theoretical basis where empirical evidence is collected with references; the research design, which explains and justifies the adoption of single or multiple case-studies to address the research question, and the discussion/conclusion to check findings and their relationship with the conceptual framework. According to Yin (2009), case study strategy is composed of the research question, propositions/objectives, units of analysis, data linking to propositions, and interpretation of the findings. Case study research is used for exploring, explaining, understanding, and describing the research problem or question. Case study research helps investigate a contemporary phenomenon in real life in-depth, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2014). As a researcher, this case study method assists my understanding of the problem because it provides insight into the study’s research questions. Importantly, the phenomenon under study is viewed in a real life context. I chose a single case study research design where research questions were formulated, and data was collected and analysed (Yin, 2009).

Moreover, research logic depends on using a deductive approach within a conceptual framework (Maylor and Blackmon, 2005). Here, the theory is developed and then tested (Collis and Hussey, 2009), or it moves from general law to a conclusion following a deductive approach in case study research (Johnston, Leach and Liu, 1999). In sum, research generates theory from the data, which is more common in case study research as it is related to exploration and understanding. In the inductive approach, the research question is based on the situational importance of the phenomenon and unavailability of theory to answer the question (Eisenhardt and Graebner, 2007). A combination of both logics can be used, although this is largely unpopular (Lee and Lings, 2008). Case study research is affected by

the researcher's assumptions and follows inductive reasoning. This led me to investigate the required organisational process for preparing future leaders.

Chapter 3 proceeds to describe and justify the research methods used. It details the participants' selection procedure and explains the data collection and data analysis methods. Particular emphasis is given to ensuring academic rigour and the introduction of a practical element to complement the qualitative research aspect, enabling the research to become an action research case study (McManners, 2016). The action research element is accomplished through management and the organisation as stakeholders taking an active part in the research. It is detailed in the subsequent sections.

### **3.4. Methods**

#### **3.4.1. Action Research Cycle (ARC)**

##### **➤ 3.4.1.a. Phase 1: Preparatory Procedures**

At the outset of the research, I ensured that all the required areas would be covered in my investigation to achieve the research goals and to avoid pitfalls. To recall, the study focuses on preparing and developing leaders within organisations. The research centres around a key leading producer in the steel industry in the MENA region, ES, which is part of a major industry group in Egypt. The study aims to examine the importance of developing potential leaders to add to the number of current leaders, and to explore how the organisation itself can contribute to assisting leaders to improve decision-making. This is a new approach combining academic and business knowledge that could be applied in developing countries like Egypt during the current uncertain period. I also focused on HR and OD department roles; in particular, the different local perspective towards them compared with western countries. The final objective is to discover best practice for the organisation to prepare leaders on time, even during change and uncertainty. My perspective approach as OD Director/practitioner provides a personal input to this research study.

Having ensured that the appropriate areas were covered, I selected the most pertinent research design that could effectively fulfil these aims. I chose a single case study design on the basis that it would assist the ES Group primarily because it would involve deep, intense analysis of the data obtained from the participants and penetrating, real-time evidence. Significantly, this case study approach permits entry into the departments within the organisation via action

research to emerge an analytically rigorous, yet holistic picture of the organisation's culture. The final research outcome(s) depend on myself as researcher and on my relationship with the stakeholders employed in the action research. These stakeholders are doctorate supervisors at the University of Liverpool, top management staff within my organisation, managers, and other selected members who participated in the focus group discussions to assess the implications of the research findings emerging from the Action Research Cycle (ARC) components: *construction; planning for action; taking action, and evaluation of the action* (Coghlan and Brannick, 2010). These ARC components represent the mechanics of this research and are detailed in the four phases below.

### **3.4.2. Phase 2: Action Research – Construction**

Having reviewed the literature and identified literature gaps regarding the topic under study, I could combine this with my vantage point as IR. As IR, my personal experiences of various employment positions could be used to compare and contrast the participants' individual experiences. I realised that my intentions to make ES the subject of a single case study would require a methodology and process that facilitates knowledge sharing and enhances better communications through dialogue across the organisational levels (Ekman Philips and Huzzard, 2007).

ES's organisation objective is to continue to prepare and develop leaders internally in the long-term, and possibly under adverse conditions. Thus, I needed to identify a methodology that provides a means of conducting a systematic inquiry into Group phenomena. In the case of ES, the specific challenge to address is the rapid change in the environment and how this affects the business continuity. It must be noted that the research study is not intended to create objectives and findings to be generalised for the organisation or the business, but to provide realistic findings that practitioners within the organisation can use to cultivate new practices and understandings. Therefore, engaging ES practitioners in my research makes them part of the problem. The methodology required has to enable the research to connect 'with' people, rather than 'on' them (Bradbury, 2010). The methodology that best fits all these conditions is action research.

The action research approach provides potential for organisational research that would reflect the problem solution during times of uncertainty. Ellis and Kiely (2000) highlight not only the four different methodologies currently used: action research, participatory action research, action learning, and action science, but also the possibility of a fifth methodology that



remains debateable. This is action learning. There are commonalities between each approach concerning the action cycle, reflection on knowledge, and changing action upon reflection. Further commonalities relate to the change and redefinition process, as knowledge is refined and enhanced through both action and reflection. There is workplace collaboration between researcher and participants, without hypotheses or anticipated results. With these points in mind, I formed a focus group during Phase 4 composed of an internal participant committee that included the head of HR for the Group. The objective was to obtain a deeper understanding of the group culture, permit participants to fully identify with myself, and to avoid bias. Simultaneously, I could gather real-time viewpoints of the challenges involved in preparing and developing leaders within the organisation.

### **3.4.3. Phase 3: Critical Research Assumptions and Action Plan – Planning**

The section below details the critical research assumptions that were shared with the focus group and the Chief Human Resources Officer (CHRO). I was selected from top management to conduct the research on the issue under review and discuss the ideas, or the solutions, obtain employees' contributions, involve employees fully in discussions, and then create an action plan. These particular procedures underpinned the cyclic action research process of reporting the research findings back to the organisation and obtaining organisation feedback.

#### **➤ 3.4.3.a. Critical Research Assumptions**

To undertake comprehensive research, I needed to select a method that enabled me to observe the consistency and contrast between both academic theories and organisational practices. In the light of this, I chose qualitative methods combined with action research. I followed an ethical approach, keeping integrity in mind. I avoided plagiarism by acknowledging ideas and data; declaring conflicts of interest; using effective data handling and protection; following ethical procedures and professional codes of conduct; managing and supervising the research staff effectively, and addressing health and safety issues. I utilised Houghton's (2012) research example depicting maintenance of research credibility, qualitative research dependability, conformability, and transferability, to ensure such rigour guided my research.

Using qualitative research was important because it allowed the selection of my case study. However, we cannot compare the quality of quantitative and qualitative research because the latter requires an imaginative approach to evaluate its quality (Tesch, 1990; Sandelowski, 1993). The most common criteria are those developed by Lincoln and Guba (1985), namely,

credibility, dependability, conformability, and transferability. These assess the rigour of qualitative case-study research (CSR) via practical examples, which must be presented. Qualitative CSR helps to study the phenomenon in its environment. Comparison can be made through multiple CSRs (Darke, Shanks and Broadbent, 1998; Schofield, 2000). Houghton (2012) applied qualitative CSR to the research, aiming to collect data relating to how a clinical skills laboratory can assist in real practice.

Parker (2003) states that the qualitative researcher must become involved and communicate with the practitioners for better understanding. I owned this privilege as a Corporate OD Director inside the ES Group. My role in the Group enabled me to become an IR. As such, I could guide the group while collecting accurate data and information. It also allowed me to share opportunities and information with management to achieve both organisational and research goals, while reducing risk. Importantly, being an IR within the Group, I could ensure better control and communication during the research. This circumvented potential problems, and simultaneously linked the theoretical issues studied with the data collected. As Yin (2014) advocates, I needed to construct clear questions, listen attentively to the participants' responses, stay flexible, and have a firm grasp of the issue under review.

Further, when employing the qualitative case study approach, it is essential to note that the researcher's experiences inevitably shape the study. Likewise, this affects the researcher's perspective and the richness of flexibility that this brings to the research (Brannick and Coghlan, 2007). It is important to balance this against the preserved meaning. I was assisted in this by Hycner's (1985) proposed framework, whereby I could bracket my assumptions during the data analysis stage to develop a fulfilling case study. Also, I utilised Hycner's framework principle to identify, isolate, and use my contextual experiences to connect with the study's findings.

In the initial research stages, I needed to select a company or Group as the subject for the research. ES proved an excellent example for the research. This organisation is my current workplace, and as such it is very familiar. Subsequently, I obtained approval and consent from senior management and from my immediate supervisor, the Corporate Chief Human Resources Officer, regarding the research idea and the proposed research method. I intended to be as responsive as possible to the issue under study, as recommended by Giorgi (1971); however, the interview questions were determined on the basis of Hycner's (1985) phenomenological analysis of interview data. This also dictated the focus group conduct.

Simultaneously, I obtained ethics approval from the UOL Committee after submitting my thesis proposal, since the research process could not begin until this had been granted (Wahyuni, 2012). Upon receiving ethics approval, I followed these four steps:

### *1. Research Alignment – Case Study*

I reviewed the long-term picture of ES and noted changes in the business environment that reflect on the organisation and the challenges it faces. I chose suitable solutions that would match with the business and still achieve the organisation's main goal of retaining a talent pool of prepared and developed leaders who would add value not only inside the organisation, but also impact the organisation's output and the market. Before applying the case, I needed to understand the Group's history and culture to avoid any resistance and minimise risk. Hence, I perused the available information on the ES's website for investors and I undertook a SWOT model analysis as an IR (see Appendix A). I considered the Group mature enough to prepare future leaders, especially as it is not a fledgling Group or in a state of decline. In fact, I discovered that the Group has been competitive for more than twenty years. This makes the current leaders mindful to the future, which I believe is important in ensuring a guaranteed future competitive state. The Group seeks to transfer from a family business to an organisation Group with hired management leading the business. Senior management accepted this, but were hesitant to put it into practice because of the significant change and uncertainty that had happened in the region. However, since I have received their approval, empowered them to be part of the problem, and encouraged them to participate in my research, I am confident that there will be no resistance to my research findings from within the organisation.

Preparing the leaders within the ES Group will certainly bring growth, not only for the Group but also for Egypt and the developing countries. It is incredibly important to have future leaders included in the organisational strategy. I believe that this strategy gains advantages that will sustain the leading position of the Group. Nevertheless, there are numerous challenges to be addressed, such as the organisation culture, the impact of the changes needed, and the timing of taking the road to change. Also, there is a perceived risk when investing in developing people to be leaders, especially when the business is enduring a critical stage. There is still no clear process within the organisation, but I believe the current leaders will support those that I propose. Likewise, the HR and OD departments will show willingness to prepare and establish a process for the future to add value for the Group. The

contributory assistance of senior management and the executive level within the organisation in implementing the new changes cannot be underestimated. Yet the overall value and success of the process are still dependent on other factors like adequate senior management empowerment and approval, sustaining the business, managing the change, and the organisation possessing a continuous pool of talent that could perpetuate the provision of potential leaders.

## *2. The Current Leaders' Role*

It is possible that the majority of the current leaders' views are aligned with the organisation's long-term strategy to prepare and develop leaders, but there is a minority who are misaligned to the proposition. This is understandable, due to the present national uncertainty and change that also confronts the business. Nevertheless, I am confident that my research study has received the confidence of the Group Chairman and the CEO, together with the HR and OD departments. These personnel recognise its importance during the present time if the Group is to sustain its competitive advantage. The research study intends to clarify the extent of their role, contribution, commitment, and their empowerment of the idea. It is hoped that the study will determine how they will contribute towards coaching others; select or identify potential leaders; develop them, and their personal image of such potential leaders. Regarding the executive levels' and managers' understanding and acceptance of the idea, roles and responsibility, it is evident that some, but not all, are ready to rise to the second level. Clearly, the main role of all these personnel is to support the research at every stage. If this is done, there is no doubt that leaders will be continually prepared and cultivated within the organisation, and HR will achieve its overarching strategic role.

## *3. The Role of HR and OD Departments*

Corporate HR and OD departments certainly impact the organisation and have a supportive and strategic role that helps both senior management and the organisation. This has evidenced itself across the whole organisation during the last five years of changes and critical times. However, the extent of understanding of the differences between HR and OD functions is unclear. For example, most of the organisation and some executive levels consider HR and OD as one unit, highlighting positive links and interaction within the Group. Meanwhile, HR's secondary role focuses on traditional resourcing, while the OD is involved with the less traditional part, in its preparation and development of future leaders. OD is currently working

to achieve this objective by having a clear process that matches with that of the Group. Uniquely, each Group has a particular process, which might be similar in some phases or cases, but matches with the overall organisation culture and business type to make that transformation and impact through possessing a strong competitive advantage in future markets.

#### **3.4.4. Phase 4: Project Identification Steps – Action Taken**

To enable senior management and stakeholders to participate in the research study, a focus group was created that was then further divided into two small committees. The following criteria were then identified in relation to the research study:

- The research must create a suitable way to address the organisational challenges inherent in the leader preparation and development process within the current uncertainty and in complex situations. Leaders must be equipped to deal with the environment and rapid change.
- The research must collocate data and draw an analysis to contribute towards and discover the extent of leaders' understanding and knowledge they need to possess to prepare and cultivate leaders for the organisation.
- The research requires collaboration between the practitioners and the researcher. The instigator of the research study holds both these titles as an employee of the organisation and also as an insider researcher. No preconceived perceptions are offered by the researcher, and only the framework will be held by the researcher.
- The research will be future focused.
- The research will take place at the participant organisation.
- The research outcome(s) will be disseminated to the stakeholders (senior management of ES) for recommendations and to manage the change needed to prepare and develop leaders.

#### **3.4.5. Phase 5: Research Contributions & Evaluation**

It is important when employing action research in this study that the stakeholders and people within the organisation become part of the problem. To do this, their respective roles and contributions to the research, evaluation, and action areas are highlighted as follows:

### **3.4.5.1. Insider Researcher**

The opportunities and challenges of being either an insider or an outsider to the research setting are widely debated (Hanson, 2013). It is broadly acknowledged that the insider researcher (IR), who is able to participate, observe, and blend into situations is less likely to alter the research setting and more likely to win respondents' trust (Kanuha, 2000). Crucially, insightful research is undertaken inside the organisation within which the researcher works, and this brings organisation benefits. Likewise, knowledge of the organisation enables richer data to be obtained because an insider position is 'the key to delving into the hidden crevices of the organisation' (Labaree, 2002, p. 98). To encourage greater 'objectivity' the IR is advised to take measures that 'make the familiar strange' (Mannay, 2010, p.). This approach should lead to greater rigour in pursuing vague answers, since innuendos do not remain unchecked, and respondents are unlikely to complete sentences using phrases such as "... but I don't need to tell you that" (Hanson, 2013, p. ).

As an IR, I could explore access, preunderstanding, role-duality, and the organisational politics within my organisation (Brannick and Coghlan, 2007). I was able to present an alternative view of the academic literature and offer my personal experiences through putting forward assumptions and attempting to discover suitable problem solutions. Stakeholders' discussions partly comprised the action research. For instance, I received their contributions and feedback and selected a suitable approach that matched the problem to avoid any bias. Also, my IR position provided access to greater understanding of the organisation's culture and history. Such access assisted the general research implementation via interviews or focus groups through my preunderstanding of the research as IR and as an employee. Additionally, I could deal with the political issues (Brannick and Coghlan, 2007). At the conclusion of the research, my IR role permitted the presentation of the research findings and participants' and management's feedback.

### **3.4.5.2. Participants**

The participants were selected from the stakeholders and middle management by making them part of the research. The primary objectives for the data gathering were to determine the causality of the "leaders of the future" and its consequential impact within the context of "developing countries". Therefore, it was imperative to derive the data from the source without any prior bias or influence from either the method of collection or its settings. Hence,

a semi-structured interview format supported by the focus groups' members enabled such an environment and controls. In turn, whilst the discussions were within the scope of the research, the participants were free to explore ideas and concepts that would allow a better reflection on the actual practice on the ground.

#### **3.4.5.3. Focus Group**

The concepts and ideas discussed within the two committees of the focus group supported the research process, concerning the selection and validation of themes emerging from participants' reflections. However, to derive themes that were relevant and coherent with the findings, it was important to aggregate the indicators by clustering them. Glaser (1978) stipulates that clusters are created by the deduction of the essence or meanings determined from the interviews. These clusters of meanings emerge the central themes. This also facilitated the analytical processing of the responses collected during the interviews (see Appendix D). The 'meaning clusters' were categorised into themes under academic scrutiny. This was done by applying the leadership development models reviewed in the current literature and then refining them through the gaps that were identified in the Literature Review. This not only offered an abstract understanding of the relationship between the themes, but also permitted their discussion. Additionally, the themes supported the presentation of the study's findings to the top management and the participants. It also meant that the research outcome(s) could be further analysed through a workshop to identify the model and action.

The main aim of the focus group within the research study itself was to engage the participants with incoming problems, for example, asking them "what if" to simulate their own leadership styles and capabilities and compare their responses with the models offered in the current literature. According to Baker, Jensen and Kolb (2002), this form of conversational learning provides a link between the abstract concepts and concrete ways of knowing, from ascertaining both the emotional involvement of the participants and from supporting the business model representation.

### **3.5. Research Implementation & Validity**

It was confirmed that in the organisation context, action research is an approach that focuses on social change, or more specifically, on effective permanent social change. Indeed, the

concept proposed by Revans (1982; 1998) that action research uniquely produces knowledge through action, rather than through theory, was acknowledged. Hence, action research was selected as a suitable method.

Briefly, practically implementing the action research involved my conducting the procedures under the mantle of SP/IR and interviewing 12 current leaders from senior management and the members of the two focus groups. Six of these interviewees were from middle management, ensuring multiple data collection that could be used to achieve accurate results (Yin, 1994; Casey and Houghton, 2010). The interviews were semi-structured and were combined with non-participant observations at different organisation sites. Alongside this, documents were used to collect data. The study adopted Morse's (1994) analytical framework to analyse the data obtained through comprehension, synthesis, theorising, and re-contextualisation using NVivo 8. These processes are described in more detail in subsequent sections.

Robson (1993, 2011) affirms that in addition to contributing to the body of knowledge, it is important to both explore and explain the behaviours and events to provide reliability and validity for the research. Kirk and Miller (1986) state that reliability is the degree to which the findings are independent of accidental circumstances of the research, and validity is the extent to which the findings are interpreted correctly. Since the primary aim of this research, as discussed in Chapter 1, is to provide new insights into the physiognomies of cultivating leaders in developing countries, it is important to offer a significant amount of confidence in the reliability and validity of the data gathering (Charmaz, 2006).

All data was secured on my laptop in addition to an external hard drive and the HR server. It will be available for at least five years to ensure transferring data is secure and backed up within the company IT security firewall. Also, I ensured the confidentiality of the internal data by limiting access to my direct employer, the corporate HR General Manager, who could access the data via the server during backup or if problems occur. However, when the University of Liverpool externally publishes the research, individuals will not be identifiable from the findings unless they have consented to this during the research.



### 3.6. Data Collection

Meetings were organised to discuss data collection methods and alternatives with my doctorate supervisor. It was decided that the quality of research is affected by its presentation as well as its design. This necessitates planned research taking account of the conceptual framework and data analysis. Lincoln and Guba (1985) concluded that qualitative case study research improved credibility via prolonged engagement and persistent observation, triangulation, peer debriefing, and member-checking. Dependability was also enhanced by audit trail, while reflexivity, conformability and transferability strength additionally improved. Combining qualitative case study research with an action research case study (Wolgemuth et al., 2015), provided viable solutions to the challenges that were identified (McManners, 2016).

The principal data collection instrument used in this research study is semi-structured interviews. Structured interviews reformulate questions in a strictly order-regulated manner with regard to available time. Response consistency is an advantage with this interview type, but some bespoke insights could be omitted due to the ordered nature of the questions and time restrictions. Unstructured interviews offer flexibility to the research process. This is because the interviewee can speak freely, devoid of stress. Consequently, more reliable, and therefore significant, information is obtained. Semi-structured interviews are disadvantageous in that the unstructured nature of the questions means that some interviewees will be more responsive, and hence provide more information, than others. Nevertheless, as an IR I could leverage my personal relationship with the current leaders to introduce flexibility into the interview sessions. As a result, the participants would become more responsive and familiar with the situation. To avoid bias, the interviewee questions were piloted internally with the OD team and the General Manager of the HR department within the organisation. Any concerns were noted and amendments were made. Table 1 below depicts the action research phases and their link to data collection and analysis. The stages where the findings were reported back to the organisation and feedback obtained are highlighted. Key question identification follows in section 3.6.1.

Table 1: Data Collection Analysis and Action Research Phases

	Decided Activities
<b>Preparation and Pilot - Research Design Selection</b>	<ol style="list-style-type: none"> <li>1. Select focus group to be part of the research team, explain the research assumptions and discuss and decide the research stages with the focus group members. Review the literature review results, interview questions, and next steps.</li> <li>2. Provide the participants with information about the research study and its purpose, requirement, and arrange a suitable time to conduct the research.</li> <li>3. Conduct the first pilot interview with the CHRO to test the interview process.</li> </ol>
<b>Phase 1 – Preparatory Procedures and data collection</b>	<ol style="list-style-type: none"> <li>1. Provide the participants' introduction.</li> <li>2. Face-to-face interviews with 12 focus group committee members.</li> <li>3. Record the interviews.</li> <li>4. Prepare the transcript after the interview.</li> <li>5. Sign the forms.</li> </ol>

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**Phase 2 – Action Research – Construction of themes and Data Analysis**

6. Present the data to the focus group.
7. Review the analysis and select themes. Link with the research questions.
8. Present findings at a workshop, and the data vs. the literature to the top management. Select the suitable solution for the organisation.

**Phase 3 – Action Plan**

9. The top management workshop will highlight the research conclusion with suitable solutions.
10. The IR will propose a framework and model.
11. The select committees will review and identify the action plan with the IR after reviewing the framework and model proposed.

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**3.6.1. Identifying Key Questions**

The interview questions are highlighted in the Interview Schedule (see Appendix C). The interviewees were requested to narrate the nature of their formal responsibilities; the extent to which their jobs relate to the core mission, current goals, and the objectives of their institution; their own perceptions about their roles; the strategic issues they faced in the execution of their duties, and the nature of the strategic decisions they made. They responded to questions about their leadership skills, their attributes, and their views about the personality traits of potential leaders. Indeed, these open-ended questions permitted an iterative refinement process, whereby a line of thought identified by earlier interviewees could be taken up and presented to later ones (Beardsworth and Keil, 1992).

A questionnaire (see Appendix C) was constructed and used in the interviews to collect the required data based on the research objectives. The questionnaire also enabled a closer look into the data received from the focus groups, ensuring that sufficient data had been received from all organisation levels.

Secondary data was collected through corporate presentations, reports, the organisation website, and public reports to assist me as an IR insider to review how HR and OD departments could prepare leaders appropriately for challenges using research management strategy (Mattos, 2005). Being an IR within the organisation would ensure careful monitoring and correlation with the study plan and university policy. My role within the focus group was to guide senior management and other participants and avoid irrelevant issues being discussed.

### **3.6.2. Conducting the Interviews**

The study's participants belonged to senior management (Managing Director, General Manager, and Deputy General Manager) of the Group and executive level (Director and Senior Manager) who report directly to senior management. Participants were targeted for their key roles in each company in the Group in an attempt to select key roles from different functions within the Group (Technical and Business) and one business function (Procurement) across the group.

A total of 12 individual respondents were interviewed from the two focus group committees having three members in each committee. Six participants were from middle management (Senior Managers and Managers) from the ES Group: Al Ezz Dakheila - EZDK, ES Sadat-ES, Ezz Rolling Mill 10<sup>th</sup> of Ramadan - ERM and Al Ezz Flat Steel Soukhna Suez - EFS). All the interviews were conducted in English. This helps to check the current leaders' background, profile, and understanding of the Group vision, strategy, advantages, disadvantages, and internal or external challenges. It is also information that would help to clarify the wider picture. Upon conclusion of the interviews, the data was transcribed and condensed as recommended by Groenewald (2004). Key themes were identified and reviewed without redacting from the main meaning presented by the respondents. This data analysis procedure is detailed later in the chapter. It is cross-referenced with the literature reviewed in Chapter 2 and relevant practitioner experiences. Meanwhile, the framework covering the main parts of the questionnaire is shown in Table 2 below. The frameworks are further detailed in Appendix C.

Interview questions	Main questions	Approach / Target
Part 1	<ul style="list-style-type: none"> <li>How does the ES Group structure affect the leaders and HR in the Group?</li> </ul>	This part will give a deep understanding about the organisation history, strategy, culture, structure, challenges and if they have change, if they have HR, and the needs of leaders.
Part 2	<ul style="list-style-type: none"> <li>What are the understanding of leaders and the process of development, if any?</li> </ul>	Knowledge of the current leader paradigm, their thoughts on the readiness of the organisation to have potential leaders, support of top management and managers, process to prepare and develop future leaders.
Part 3	<ul style="list-style-type: none"> <li>What is the HR Role in ES and the contribution towards developing leaders?</li> </ul>	Familiarisation with the HR/OD contribution during change and uncertainty and review if they have a plan/process and checking a suitable process for preparing and developing leaders in the organisation.

**Table 2: Questionnaire Frameworks**

### **3.6.3. The Interview Process**

Interviews are emotionally intense and sometimes painful when focusing on ‘vulnerable’ people or ‘sensitive’ issues. Yet participants often characterise their interviews as cathartic, empowering, and therapeutic. Hutchinson, Wilson and Wilson (1994, pp. 162-4) studied the benefits of qualitative interviews. They summarised these as providing: a) catharsis; b) self-acknowledgement; c) contribution to a sense of purpose; d) self-awareness; e) empowerment; f) promotion of healing, and g) a voice to the voiceless (see also Corbin and Morse, 2003). Fewer studies compared different experiences based on different designs (e.g., Cutcliff and

Ramcharan, 2002; Corbin and Morse, 2003; Campbell et al., 2010). Interviewees consider feminist and constructionist-oriented interviews as therapeutically beneficial, with benefits including reducing hierarchy and increasing normalisation, communication, and resources linkage (Hiller and DiLuzio, 2004; Carter et al., 2008; Campbell et al., 2010). Many works refer to the importance of interviews as a means of self-reflection, appraisal, being listened to, responded to, and validated (Munhall, 1991; Hutchinson, Wilson and Wilson, 1994; Birch and Miller, 2000; Cutcliffe and Ramcharan, 2002; Campbell et al., 2010; Clark, 2010). Roulston (2010a, 2010b) suggested quality indicators for different orientations might invoke ethical considerations. Wolgemuth et al., (2015) concentrated on studying different participants' experiences, how they varied between interview projects, and the benefits of interview orientations.

Kvale and Brinkmann (2009) suggest outlining a framework before the interview, using an introduction or a brief to explain important points such as:

- Voluntary participation during the research that will not affect participants' current role in the organisation
- The research procedures and confidentiality to be clarified for the participants
- Minimal risk and benefits of the study for all participants
- The right of any participant to discontinue or leave the research at any time during the study
- Security of all the data and the interviews and confidentiality during and after the research

I adopted Kvale and Brinkmann's (2009) framework in this research study. I began by discussing the research aim and the emphasis on confidentiality. I explained that there would be no physical or psychological effects on the participants so the process could be described as minimal risk. This research did not involve critical or sensitive information that could harm the organisation. Also, I highlighted the benefits from a participant's point of view, indicating to the participants that the research was a new approach using action research that could bring better decision-making to the organisation. I informed the participants that the overall purpose of the research was to provide a framework for solving organisational problems and to better prepare and develop leaders.

When this was completed, the participant and researcher signed a form to give approval for recording the interview. In addition, information about the company and the potential leaders

(critical position, departments, competencies, and employees' data, like performance, training, qualifications, assessments, reports, processes, and observed practices by subjects) was used (Wahyuni, 2012). I had identified my target list of interviews with senior management, or more specifically, with the current leaders (Directors and Senior Managers). I explained that I would use semi-structured interviews using guidance for questions (open-ended central questions, follow-up questions, and probes, as advocated by (Rubin and Rubin, 2005). I informed the participants that the interviews would indicate whether ES is maximising the current leaders' behaviours, personality, skills, and competencies that differentiate them and make them essential to the company and the present HR role, and that they would reveal required improvements. The participants were aware that a further purpose of the interviews was to assist the review of the current leaders' thinking about the leader profile; missing competencies in the current leader competencies set; the current leaders' roles, and current leaders' understanding of the role of the HR and OD departments.

The second part included data collection using two focus groups (three individuals in each) from third level (managers) to gather their reflections and views on the suggestions from the interviews with the current leaders and above levels, especially on whether anything was missing in their opinions.

### **3.6.4. Participant Selection**

Being an IR facilitated reviewing different frameworks and approaches in the literature (Enns, 2017). Being a part of the Group helped me to make judgments about selecting potential participants from the Group by focusing on the steel sector. The inclusion of managers and higher-level staff as interviewees, with a minimum of three years' experience within the Group provided a long-term picture of the company and its culture. However, lower-level employees (engineers and specialists) without managerial exposure or experience, and blue-collar workers (foremen and technicians) were excluded, as they did not have the relevant experience to understand the required objectives. Additionally, some had a preference not to participate. Table 3 below details the participants' criteria.

	Participant Positions	Brief Information
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1	The Chairman of ES Dekiliha	The leader and decision-maker in the Alexandria plant and a Board Member. He has been with the Group over the past 25 years in different locations and positions. He has start-ups experience on both sides of the Suez and M&A of the Alexandria plant. He has the technical background required.
2	Managing Director (MD) ES Sadat	The leader of Sadat and 10 <sup>th</sup> of Ramadan plants. He has the financial background as he joined the Group more than 20 years ago as Head of Treasury until he became GM, then MD.
3	The General Manager (GM) – ES Suez	The leader of one EFS Shoukna plant in Suez. His background is finance. He joined the company more than 15 years ago as Head of Treasury, then became the GM.
4	The Deputy General Manager for Technical Affairs – ES Suez	A technical leader in the Group, he joined more than 25 years ago. He joined as Section Head of the Sadat plant then ES Dekiliha, and finally he took over as Deputy Plant Manager in ES Suez. He has been plant manager of ES for the past 15 years.
5	The Corporate HR Deputy Manager	The HR leader responsible for the development and driving of HR strategies in the organisation.
6	HR Director – ES Dekiliha and Corporate HR - Total Rewards Director	He has two roles: a corporate role as Total Rewards Director for the Group for more than seven years and HR, and as Administrator of the ES Dekiliha plant for the last three years.
7	The Corporate Procurement Director and Procurement Director of	One of the Heads of the Group, he joined the more than 20 years ago as Head of Procurement.



	ES Dekiliha	
8	Procurement Senior Manager – ES Sadat	One of the Group’s success stories. He joined the Group after his graduation more than 20 years ago in a junior position until he became Head of Procurement for Sadat and 10 <sup>th</sup> of Ramadan plants.
9	Procurement Senior Manager – ES Suez	Joined ES Suez 20 years ago as Section Head of Procurement until he became the Head of Procurement of ES Suez. He has an engineering background.
10	Procurement Senior Manager – DRI	Joined EFS 20 years ago as Section Head of Procurement until he became the Head of Procurement in DRI, another plant in the Group.
11	Finance – IR	Joined the Group 17 years ago as a specialist, having been selected as one of the talents. He gained an MBA from Europe then became an IR Director for the Group.
12	Finance – Treasury	Joined the Group five years ago and has a banking background.

**Table 3: Participants’ Criteria**

The focus group was divided into two committees, each containing three members. The first committee included a Marketing Manager, Procurement Assistant Manager, and an IT Manager Corporate OD Supervisor (FG-1), and the second contained a Corporate OD Assistant Manager and two OD Senior Supervisors (FG-2).

### **3.7. Data Analysis and Interpretation**

Boeije (2010) states that qualitative data analysis is used to record the current position as a first step, and segmenting and reconstructing data assists with drawing inferences (Boeije, 2010). The questionnaire responses are guided by the questions, and are the main source of

raw data (Wahyuni, 2012). Coding methods (see Appendix D) that label each category may be used as three-level coding to categorise the data (Boeije, 2010).

After gathering and reviewing all the data based on the findings, I identified an open code for the data. It could be single words or phrases (Merriam, 2009, p. 173) to provide a code that is applicable to the data. Also, this process created a wider picture from the analysis and conclusions emerging from the data analysis of both primary and secondary data. Comparisons can be made, and evidence found (Muir, 2014).

The steps followed for data analysis in this study were:

- **Data transcription:** Face-to-face interviews and focus groups were recorded on a mobile MP4. The large amount of data recorded needed to be transcribed, which I outsourced after I had written the transcript of the first interview as an example. This step saved time and I reviewed it at a second stage. For data analysis, I used Nvivo software to analyse all the media files and transcripts in the study.
- **Reduction:** I reviewed the transcripts to identify general meanings and themes, ensuring the meaning provided by the respondent was not omitted (Groenewald, 2004). This was a critical part of the data analysis. Although I was knowledgeable on the issue, it was important to ensure that the respondents' data emerged clearly. Therefore, direct and significant respondent accounts were quoted appropriately within the study.
- **Cluster meanings and determining themes:** Having multiple respondents meant that clusters of meanings or themes and key issues emanating from the interviews could be identified. Since the respondents represented each of the various key stakeholder groups, I could corroborate or contrast responses that had similar meanings from stakeholders who held different interests. This strengthened the study's rigour. It ensured I could reach a balanced conclusion from the gathered information that sometimes conflicted. When common themes occurred across a majority of stakeholder groups, I examined the issue further for significance (Appendix D).
- **Identifying general meanings:** here I reviewed the transcripts rigorously to pick out the most important literal and implied meanings.
- **Picking out meanings:** The themes identified were selected based on their relevance to the research questions. Hycner (1985) recommended independent verification of the relevant meaning, but since I was the only researcher in this study, I could not

engage any supporting research assistance. I focused on eliminating redundancies without losing the meaning, and referred back to the tapes to validate captured responses. I also incorporated a number of quoted responses in the data analysis to increase its rigour. I was also assisted by the focus group members who actively participated in the thematic analysis.

### **3.8. Summary**

The research applied to the ES Group located in Egypt took the form of a qualitative action research case study to find suitable solutions to assist in tackling rapid change. In particular, the study focused on the preparation and development of leaders within the organisation. Leaders are the future of any organisation or business. Hence, their preparation and nurturing are a priority. However, in a developing country such as Egypt, local and family businesses still do not possess clear processes to cope with the rapidly changing environment and culture. Thus, this study is useful to senior management because it supports a better understanding of the organisational structure and discovers inherent strengths and weaknesses to advocate a particular setting for preparing future leaders (Farquhar, 2012).

Qualitative action research methods were chosen to investigate the interface between the political, economic, and environmental factors in Egypt that were incurred after the revolution of 2011 that had affected most organisations in the region. The methodology was developed from combining the ethos of action research with the prescriptive mechanisms of case study analysis. This was appropriate in this particular context, where the top hierarchy of the ES Group sought a common solution to deal with uncertainty. Chapter 3 detailed each of the three phases - the preparatory phase that examined the situation in-depth to propose a feasible solution; the second phase that involved seeking ideas, and the third phase that consisted of engagement with stakeholders.

It will be a ground-breaking phenomenon for the ES Group to adopt these new approaches, such as action research during these complex and critical times. It may require more effort to make sure that it is a suitable approach (Easterby-Smith, Thorpe and Jackson, 2012), and is suitable to the organisation's culture, as it is already perceived to be risky to be investing in future leaders when the current business situation is at risk. Therefore, it is important to conduct rigorous research to better understand the development of the future leaders, how it

is important for the organisation during change, and to prove it could be a competitive advantage for the Group to have future leaders ready.

The qualitative action research case study focused on data gathering within the Group through semi-structured interviews conducted with senior management and executive levels, and focus groups made up of middle management. The latter were used to obtain more in-depth information and review whether the impact of leaders in the Group was relevant or not according to the frame of reference applied. As IR in this case study, I also utilised a phenomenological approach (Hycner, 1985) during data analysis. This allowed respondents to contribute to the issues highlighted from this study. Chapter 4 presents the data collected and the identified trends. These are cross-referenced with the literature reviewed earlier in this study.

## Chapter 4

### Data Analysis and Findings

#### 4.1. Introduction

Chapter 3 highlighted the research methodology that was applied to this study and the steps used in the research. Chapter 4 focuses on data collection and analysis. The findings are also reviewed and cross-referenced with the Literature Review through their specific application to ES.

#### 4.2. Data Analysis

##### 4.2.1. Transferring Information Coding and Identifying Themes

Subsequent to data collection, the data was analysed. To begin, the data obtained from each interview was transferred from the audio recording to the transcript. The transcripts were rigorously perused to ensure data clarity and validation. Due to the immense volume of data obtained from the interviews, NVivo technology was employed to tease out the data and present it contextually. Assisted by the focus group members, thematic analysis linked the research questions with each transcript to form coded themes. Responses were coded by highlighting a key word sentence that permitted coding categorisation. The initial codes and their reference topic are illustrated in Table 4 below.

RQ	Initial Code	Reference Topic
Q1.	Understanding of Leadership and Beliefs	Participants' perceptions of leader importance and their understanding of the leader concept.
Q1.	Competencies	Participants' perceptions of required leader competencies.
Q2.	Preparing	Participants' perceptions of the leader preparation process.
Q2.	Development	Participants' perceptions of the required steps for developing leaders.
Q3.	HR and OD	The need for both HR and OD departments to have

		leaders.
Q3.	Suggestions regarding future improvement and implementation of the leader planning and development process	The requirement for leaders within the organisation.

**Table 4: Coding Overview**

Similar codes were grouped together, and links were noted. This emerged patterns in the data that formed the basis for developing themes. This procedure was repeated several times to prevent the omission of any codes (Gibson and Brown, 2011). Also, the codes were checked and reviewed during thematic analysis. This collapsed some themes and split others (Braun and Clark, 2012). The stakeholders participated within the action research aspect of the study via the focus group to assist in the reviewing, defining, and redefining of the emergent themes. Table 5 below depicts the emergent themes and their relationship to the study's research questions.

Since the study is participatory action research, I worked with the focus group to review and define the final themes and put all the findings to the stakeholders in a workshop scheduled for a later stage (Coghlan and Brannick, 2010). Stakeholders' assistance helped to categorise the data and enhance the understanding of the organisation's problem based on the research questions.

<b>Research Questions</b>		<b>Themes/Categories</b>
What competencies do leaders need in the organisation?	<b>Interviews</b>	<ul style="list-style-type: none"> <li>• <b>Organisation Culture and Leadership Beliefs</b> <ul style="list-style-type: none"> <li>○ Organisation's Culture and Understanding</li> <li>○ Management Beliefs</li> <li>○ Leaders' influence on the Organisational Environment</li> </ul> </li> </ul>
	<b>Focus</b>	<ul style="list-style-type: none"> <li>• <b>The Leaders of the Future Profile and</b></li> </ul>

	<b>Group</b>	<b>Competencies</b> <ul style="list-style-type: none"> <li>○ Organisation's perception of leadership as a remodel</li> <li>○ Organisation's perceived competencies required by the leadership</li> <li>○ Organisation's perceived future Leadership Traits</li> </ul>
What systems and mechanisms are needed to develop these leaders?	<b>Interviews</b>	<ul style="list-style-type: none"> <li>• <b>The Mechanisms of preparing and developing Leaders</b> <ul style="list-style-type: none"> <li>○ Identification and Selection</li> <li>○ Contributions and Systems Infrastructure</li> <li>○ Communications and Job Rotation</li> <li>○ Coaching, Training and Delegation</li> </ul> </li> </ul>
	<b>Focus Group</b>	<ul style="list-style-type: none"> <li>• <b>The Mechanisms needed in the implementation</b> <ul style="list-style-type: none"> <li>○ Transformation</li> <li>○ Assessment and Identifications</li> <li>○ Line Managers' Mentoring</li> <li>○ Top Management Empowerment</li> </ul> </li> </ul>
What role will HR and OD departments play in the development of leaders?	<b>Interviews</b>	<ul style="list-style-type: none"> <li>• <b>Role of the HR and OD within the organisation</b> <ul style="list-style-type: none"> <li>○ Talent Management</li> <li>○ HR Process</li> <li>○ The New Role of OD</li> </ul> </li> </ul>

	<b>Focus Group</b>	<ul style="list-style-type: none"> <li>• <b>The added Value of HR in the Success of Leaders</b> <ul style="list-style-type: none"> <li>○ Strategic Alignments</li> <li>○ Communications, Performance and Learning</li> </ul> </li> </ul>
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**Table 5: Themes Overview**

Chapter 4 proceeds to present the findings that emerged from thematic analysis.

### **4.3. Findings**

#### **4.3.1. Organisation Culture and Leadership Beliefs**

This section presents and discusses interviewee responses regarding the organisation milestones and culture understanding to provide an overview about the management beliefs and the leadership influences. The data indicated that the history and the main Group milestones resonate with start-up and acquisition challenges. I-I states: *“ES of course is the leading steel producer in the Middle East. It is the biggest or one of the biggest locker groups in Egypt, with, I believe, a very solid, articulated top management which have been going through very big challenges in the past years, which were successful, you know, selling through this climate of hot chips.” (I-1)*. Indeed, ES has become the leading steel producer in Egypt and the Middle East over the last twenty years.

##### **➤ 4.3.1.a. Organisation’s Culture Understanding**

Starting as a family business that was run and owned by a single individual, ES later transformed into an organisation with processes, leaders and management within the organisation that led the business and the Group. One of the main goals for ES was to retain its passion for leading not only the market, but also the MENA region and thus maintain its title as the ‘school of steel’ here. I-2,3,5 all agree: *“So we are the leader of steel production in Egypt and I think that we are one of the best producers of steel in Middle East.” (I-2,3,5)*, and I-4 confirms that the *“ES Group is one of the very important steel makers in the MENA region.” (I-4)*. The ES Group had more than 10,000 experts in steel-making. There was high demand for talent in the regional steel market, including from competitors.



The participants also noted some advantages that the Group hold. I-10 states: *“ES production is almost 5 million tons and we are almost 60% of the market share in Egypt, we are exporting hot rolled coils to Far East, to the MENA region and to Europe as well.”* (I-10). For example, the Group consists of four plants across various well-placed locations in Egypt; it utilises both flat and long rolling production methods providing flexibility to diversify the production to meet requests and needs. Also, the Group has easy access to raw materials and the opportunity for export to both the MENA region and to Asia, Europe, and America. The participants highlighted the reputation of the Group’s brand ‘ES’ for quality, customer commitment, market, and the quality and safety of its employees and the Group.

#### ➤ 4.3.1.b. Management Beliefs

Another important issue is the environment because this impacts the country and the business. In this regard, the business and the ES Group is affected by internal and external environment factors. Internal factors include culture, the mature age of the current leaders, and the maturity age of the organisation that has developed over twenty years. External factors are politics, economics, culture, new competitors, technology innovation, among others. These influence the Group, organisational strategy, and people’s behaviours.

The business currently confronts huge change and this impacts finances and associated decisions. I-4 argues: *“The situation of the hard currency in Egypt makes it obvious that it is facing real troubles, it can be temporary troubles, for the time. I mean this is one of our challenges because we are importing for our industry almost 70% of our requirements from abroad.”* (I-4). All the participants described this period as ‘sustain mode’. Yet during all these changes, senior management and leaders have ensured that the Group and all its employees are prepared to deal with change, crisis, stress, and this type of uncertainty. I-1 claims: *“Definitely we have some impacts on the overall business in Egypt.”* (I-1). The participants described the current leaders as being sufficiently passionate, yet patient, to achieve their targets and to make the changes needed during hard times as in previous years. *“Maybe changes take a little bit of time to happen.”* (I-9). Crucially, current leaders have committed to preparing potential leaders, thus transferring their expert knowledge and experience to a new generation who are capable of leading and interacting with change.

Another difficult issue is long-term planning for anything in the business due to uncertainty, including projects. Representative of senior management, I-11 contends: *“It is very difficult now actually to draw a long-term objective because Egypt is passing through major problems.”* (I-11). Participants stated that they need to work in a more non-traditional way and to have tools at their disposal. As I-11 says: *“But we have to be ready and I believe preparing leaders will be our edge to continue leading the market.”* (I-11). Thus, leaders needed to risk straying from traditional methods and must be equipped to handle all of the changes. The management believes that preparing and developing leaders is the best solution to deal with these stages of fast change and in turn, sustain the market leadership and create business opportunities.

#### ➤ 4.3.1.c. Leaders’ Influence on the Organisation

Most of the participants highlighted the influence of leadership on the organisational environment. Although this is important for the strategic direction, it creates challenges for the leader or management. This is because it limits potential leader involvement in shaping the organisation’s corporate strategies, and hence, any direct impact on the organisation’s performance and market share. FG-1 states: *“It is the best option during the change and uncertainty to have leaders of the future to have competitive advantage and sustain our leading to the region.”* (FG-I). Therefore, looking for leader development and preparing future leaders within the Group is necessary and important even during change to prepare them in dealing with future challenges.

All participants agreed that the understanding of and importance of leadership development was challenging. As I-4 claims: *“Leaders set directions and inspire other people.”* (I-4). The interview data clarified definitions and understanding of leadership within the ES Group, and also what the organisation wanted their leaders to reflect. The majority of senior management and the current leadership described leadership development as a phenomenon or gift from God, and that a leader cannot be developed without having a natural leadership talent. *“I believe that the leader is born, not made or prepared.”* (I-2). Extending this, I-8 states: *“Manager is just to manage the company but the leader leads, takes the company from one level to another level.”* (I-8). There were differing opinions between leaders and managers in terms of dealing with situations, people, problems, and improved decision-making in relation to leadership development. Few of the current executive management believed in leadership

development as skills that could neither be developed through executive education and training programmes, nor with leader coaching.

All of the participants concurred on whether leaders could make changes. I-8 summarises this: *“A leader is to inspire other people to work harder, to work smart and to achieve better performance, to inspire and motivate its staff that is related to him to be better and to perform better.”* (I-8). Further, I-5 points out: *“Leaders can change the current situation to the required position that the management of our Group want to reach, and to re-address the problems and solve it and make the proper decision at the proper time.”* (I-5), and FG-2 indicates that: *“Leaders are those who are successful drivers in the organisation.”* (FG-2). Thus, making things happen is the differential between leaders and managers. The focus group members realised that the leader needs to lead the company in a better direction. It was also evident from the participants’ responses that providing better opportunities for the business arises from a deep rooted cultural psychology.

#### **4.3.2. Leaders’ Profile and Competencies**

##### **➤ 4.3.2.a. Organisation’s Perception of Leadership as a Remodel**

Examining the current leaders’ and management’s practices formed a key topic in the interviews. Participants related it to the organisation’s success over the past twenty years. On leaders’ qualities, FG-1 reveals: *“I think that the very important things to have in your leader is charisma and strong personality and to be fair.”* (FG-1). The organisation’s team described the current leadership as role models, but they needed to have a flexible management style when managing the Group. I-9 confirms the open door policies maintained within the Group: *“The management use open door style, there are engagements in all levels within the Group.”* (I-9). More than 10,000 employees at all levels of the organisation access the leadership team via its open door policy. This helps with engagement and togetherness within the Group. Each employee working in ES sincerely believes that he/she is part of the Group. Some executive management participants, like FG-2 comments: *“The leader makes the right thing in the right time.”* (FG-2), noting how current leaders and top management helped all levels within the organisation to take decisions in their area by taking the correct action at the correct time. These points highlight a solid relationship and engagement between the current management and other Group levels. Being connected with the business and all levels of the organisation to act and communicate in tandem sets this Group apart from other business groups that are rooted in complex processes and decisions. There is flexibility to

take decisions and lead the Group smoothly. FG-1 speaks of *“The top management of ES who I consider them leaders, they give all the authorities to the senior managers and even the level down the senior manager to take the right decisions by themselves.”*(FG-1). This reflects the Chairman’s philosophy and the unique senior management style.

#### ➤ 4.3.2.b. Organisation’s Perceived Leadership Competencies

Deciding to invest in technology and human capital, especially during the critical current, is important in leading the market and maintaining a competitive advantage. Participants shared many case studies to disseminate their experiences, and they illustrated the significance of leadership decision-making. Although extensive experiences for most senior management and executives were described, they all shared the belief that decisive and sound decision-making were the most important leader competencies. To exemplify, following the Egyptian revolution of 2011, despite political and economic problems, the leadership decided to continue to build a new plant in 2010 in Shoukna Direct Iron Production – DRP. Its opening in 2016 resulted in the company increasing its world-rank to second place, and this is highlighted by I-10: *“The New DRP plant opened in 2015 and made ES become number 2 worldwide.”* (I-10). This move was noted by many contemporaries for its risks; however, the current leaders helped the Group and the employees during this critical transformation. This ensured employee belief in the management and their cause. The current leaders assumed the mantle of investing in a new plant and also prepared and cultivated people over the following two years. Apart from Egypt, building similar plants in countries like Mexico resulted in the development of around 100 technicians and engineers. Participants stated further that during the economic crisis of 2008/2009, management decided to increase investment. Participants noted the extension to the ES plant in Shoukna, where there had been no production at the Shoukna plant for more than two years due to the decline of the steel market worldwide. Therefore, the decision was made to diversify by finding another source of income, and management aimed to have long rolling production at the plant by 2010. These views indicate that leaders created success by taking risks. FG-1 is delighted with this reputation: *“We are proud as one of the best performers as a steel maker even during the crisis, economic crisis in 2008, and during the very exceptional conditions that Egypt has gone through starting from 2011 and till today.”* (FG-1), and I-12 adds: *“The top management as current leaders set directions and inspire other people within the Group.”* (I -12). Leaders’ vision during a critical time to invest in both technology and human capital prepared other lines that were capable of dealing with unpredicted change and challenge.

#### ➤ 4.3.2.c. Organisation's Perceived Leadership Traits

Senior management stressed the needs of leaders within the Group as critical to its business continuity and sustainability. FG-2 insists that: *"The most important things I need to see in the future leaders after having good personality is the ability to deal with change during any type of uncertainty and to shift the organisation as he wants based on the strategy and the business need but with no risk and with sense of people."* (FG-2). Here, senior management expect these leaders to possess key behaviours and characteristics, but they must also deal effectively with change and uncertainty. Leaders must produce a strategy that incorporates no risk and always consider the human element in their decisions.

The focus group highlighted the importance of the personality or charisma of leaders to make good leaders to lead the Group and the business. *"You can help him or fine tune something in his character in his competencies or capabilities or skills, but the real leader is born not made or prepared or built his skill."* (I-4). Flexibility to deal with situations and the ability to take decisions beyond their innate skills were acknowledged as essential. Further, I-1,2 argues: *"The competencies are to be let's say employee minded dynamic, they can understand the situation they are passing through, they can work with teams externally and internally, you can make the right decision in the proper time, he can change the situation to be in favour of the organisation, he can motivate I mean and mobilise the staff, I mean his team. Plus, ethics, ethical values I mean are very important from my point of view."* (I-1,2). Hence, creative thinking and innovation formed key leader competencies that would properly inspire the entire organisation if needed.

### 4.3.3. Preparing and Developing the Leaders

#### ➤ 4.3.3.a. Leader Identifications and Selections

The focus group members identified a clear process of establishing the selection, preparation and development of leaders within the Group as a critical challenge to the organisation. Participants' data highlighted how the revolution in Egypt had affected people's behaviour and the organisation. They discussed how ES had no clear process to identify, prepare, and develop leaders before the corporate HR was established. Originally, leaders were selected directly by senior management. Nevertheless, the organisation provided them with a solid

education alongside extensive training. This included some overseas training such as an executive education programme.

This is stated by I-5: *“Always pushing to establish a continuous process to generate leaders and to generate a second line management and provide the proper and effective training for its organisation.” (I-5)*. ES can claim some success stories from the fresh talents who joined the Group. After more than fifteen years, these talents have now become part of the executive team, managing departments and divisions. Two such success stories appertained to the current leaders within the Group who had received special executive education and gained MBAs from two large business schools in Europe. Currently, one of these talents occupies the Managing Director role of a ceramics company (G) in the Group, and the other is positioned as Corporate Investor Relation Director of the Group. Moreover, the focus group members were concerned that the Group lacked a corporate HR function that could support management in building a unified and consistent training and education approach for staff across all departments, to harmonise the organisation’s culture and establish a common line between all ES staff. These participants stated that corporate HR began this process after its establishment in 2010, and they hoped that the whole process could be fully formulated by the end of 2016.

Upon deeper exploration, the focus group members recommended some processes or ideas, beginning with senior management action and empowerment of leaders within the organisation. This was highlighted by I-6: *“Top management, of course you should address it as a first priority.” (I-6)*. Participants suggested that this could be done through ensuring that each of the managers has one or two deputies or potential candidates for his/her position. For example, FG-2 and I-9 believe: *“... that some function doesn’t have this second line.” (FG -2, I-9)*. They stated that current management would be unaware that this is essentially succession planning, because this procedure is unfamiliar. Senior management participants aired their desire to implement this. They would begin by tasking the Managing Director or the General Manager to appoint a deputy who would assume authorities, responsibilities, exposure, and rotation in different functions. This would be effective, especially if a deputy possessed a technical background, but their commercial experience was slightly under par. Also, some senior management members noted the cruciality of training and development during the leader preparation process. Others from the executive team suggested that

managers could act in a coaching capacity to transfer knowledge and experience to the second line.

For instance, I-10 states: *“The top management have to encourage the idea first of having future leaders, giving the required support, even financial, and make the directions to support the developing process and understand the benefits of this development process on the organisation in the future.”* (I- 10). However, all participants expressed HR’s responsibility for preparing leaders and talent in the organisation, since most of the middle management would now be equipped to train second line candidates.

#### **4.3.4. Contributions and Systems Infrastructure**

Together with other senior management focus group members, I-5 highlighted OD’s primary role to provide leader/manager interaction through its preparation and nurturing of the Leaders Program and suggests a key HR and OD alignment: *“The alignment of HR and OD within the organisation to have future leaders.”* (I-5). This would encourage better contributions from high-potential talents. All the focus group members across all managerial levels collectively considered the importance of a program design that involved a retention plan for selected leaders with monitoring procedures embedded for use during their preparation.

#### **4.3.5. Communications and Job Rotation**

Middle management focus group members evidenced diminishing communication between different organisation levels. This manifested itself in the communication gaps between various management levels, for example, concerning strategy and change, and its descension to the lower levels. Also, these participants commented on the lack of rotation, exemplified by I-9: *“I believe it is very important in this area to make rotation for succeeding in and while I speak about leadership, rotation is important part of developing the human capital.”* (I-9). Cross-exposure in the organisation as part of training was still not conducted in most departments. Participants stated this would be an important factor during the development process of leaders. Some participants commented on the need for rotation in different functions to help leaders become aware of the technical and business functions surrounding them, such as I-2’s comment: *“I would like the future leaders to be exposed to different areas, different functions and situations. Also, it is important to be charismatic and spoken, a very good communicator. Also to make communications with different layers, conveying,*

*making orientation of the strategies and challenges to different layers and receiving feedback from different layers also of the organisation.” (I-2).* Others highlighted the significance of receiving exposure in different functions and companies within the Group and industry. Participants agreed that addressing all these issues would ensure that new leaders can communicate, deal with situations, challenges, change and crisis, gain more experience, and cultivate people management.

#### **4.3.6. Coaching, Training and Delegation**

Some focus group members were technical experts. They stressed a high level of concern to ensure that leaders’ and managers’ roles and responsibilities to assist the team were incentivised through objectives and KPIs. They considered that leaders should have a certain degree of subject matter expertise. However, they also recognised the difficulty in permitting those with high potential to hone these skills through performance appraisals and clear positive and negative feedback, so these skills can be tailored to specific leadership roles. Conversely, non-technical participants within the focus group proposed that corrective action would be more effective, but this is often omitted during managers’ training. Moreover, they were keen to suggest some creative coaching solutions to form an improved well-rounded approach involving technical and managerial development. This is illustrated in I-7’s comment: *“Coaching and Delegation. So I think may be through may be more delegation, I do not know I am not really aware about the details but may be to allow, they need to work together, they need to have more time for this purpose and then they get the future leaders they go there for some tasks that make them work together very closely.” (I-7).* Effectiveness could be measured regularly through performance appraisals. Meanwhile, I-12 claims: *“Training and Development it’s HR’s role.” (I-12).* Management focus group members perceived their role as primarily focused on delegation and guidance, with the training and development responsibility lying with HR.

### **4.4. Mechanisms Needed to Implement Leaders**

#### **4.4.1. Transformation**

The focus group members identified that they needed support to forge a better career path. They mentioned the noted improvement in HR/OD after the Group had established the corporate HR in 2010. I-4 confirms this: *“I believe the HR/OD improves over the last two years to have a role within the Group but need to get fast to cope with change.” (I-4).* Nevertheless, participants expected additional changes to assist the organisation in its



transition to a flatter structure. Participants' principal concerns were having improved processes for identifying talent, fairer opportunities to become leaders, and opportunities to avoid manager bias. Additionally, participants believed that HR should become more proactively responsible for retention. Another element highlighted was the sharing of knowledge and experience and obtaining knowledge transferred from current leaders and managers. As FG-1 indicates: *"We need to transfer a way to help the future leaders have transformation knowledge from current managers or leaders before they get retirement that I believe is part of the HR, to make sure of it."* (FG-1). This is particularly relevant in view of the fact that there are approximately 200 staff approaching retirement within the next two years who have worked within the organisation for more than twenty years since its inception.

#### **4.4.2. Identification and Assessment**

Responses from various focus group members showed different levels of contributions and expectations from each of the managerial groups. This related particularly to organisational expectations regarding leadership development. They all expressed concerns around cultural sensitivities and timing limitations. However, the middle management focus group members defined the principal leader credential as exhibiting high potential. I-3 claims: *"I believe we are the first company in Egypt to invest the assessment HIPO to discover talent and future leaders."* (I-3). This could be perceived either through line management nominations or by using new assessment tools launched by OD that assess ability, personality, and willingness to take responsibility. However, junior management participants were more inclined towards OD being responsible for selecting candidates, with line managers monitoring their progress post-selection for two to three years. They suggested ways in which OD and HR could help them design and implement the development programme. For example, I-10 states: *"The HR/OD created assessment tools to help us discover the talent and successor people and the gap to work on developing them."* (I-10). Senior management considered coaching high-potential talents and transferring knowledge and experience to them before decisions were taken regarding selection would be a more beneficial approach. I-6 and FG-1 consider that: *"... the OD can succeed to build a competency framework for the Group and establish the assessment centre, targeting hiring, promotion, and the selecting of high potential."* (I-6, FG-1). Senior management suggested this would enhance the organisation's performance and ensure that people cared about the result more than the current outcome. It would also give a competitive advantage to the organisation at the point where the market settled again.

#### **4.4.3. Line Managers' Mentoring**

Senior management participants expressed concern regarding the direct managers' function. They believed that executive management levels confused talent, high performance, and high potential definitions when identifying leaders. There was also little consensus. Some participants shared their thoughts on managers' important role in preparing a talent pool and selecting from this pool in the future. I-1 concludes: *"To find leaders I think it is a heavy job, not easy, successful leaders, qualified leaders."* (I-1). Not only is preparing a talent pool essential, but it is also difficult.

They also envisioned HR's responsibility to provide them with a benchmark for 'talent'. Other executive leaders imparted negative feedback regarding identifying leaders, describing this as a *"mission impossible"*. Participants highlighted workload and responsibility for controlling the business, and they viewed preparation of leaders with optimum, ideal qualifications as difficult. Some participants wished to prepare the next leader generation using standards and benchmarks appropriate to the latest industry trends and practices. According to FG-1: *"We need to look at the next generations, prepare them in a good work environment, mentoring and to benchmark them to best practices everywhere in the Middle East."* (FG-1). This would improve the future leadership standard, and therefore ensure the Group's continued leading position.

Current leaders and line managers highlighted their personal endeavours of selecting and/or supporting potential staff seeking to become leaders. I-6 states: *"Only it is just personal endeavour to support and prepare future leaders."* (I-6). Leaders are selected or supported based on their performance or other criteria depending on management's personal viewpoint, for example, their technical ability and people management capability. Participants expected the HR/OD role and participation to instigate standards for identifying potential leaders as an immediate priority. This is illustrated by FG-2: *"The Group should be addressed as a first priority issue to identify future leaders and involve the HR."* (FG-2). HR/OD departments were also responsible to remove managers' bias, apply benchmarks and standard processes, and to ensure all leaders and managers support and contribute towards preparing leaders.

Participants highlighted the existing gap at the second and third management level regarding high potential talent and monitoring and development. Contributions from HR/OD to provide

the process and standardise the language in preparing and developing second and third lines are needed. Most participants requested a clear programme to prepare and develop leaders rather than an individual or self-approach to reduce the risk of incorrect selection. This is highlighted by FG-1,2: *“We need programs to develop future leaders in a fast way and to be clear to be future to have managerial skills and leadership skills to help them to take the opportunity to be in leadership positions.”* (FG-1,2). Also, participants desired a learning organisation to be introduced that would enable current leaders and managers to transfer their knowledge and experience correctly to the leaders.

#### **4.4.4. Top Management Empowerment**

Executive and middle management participants debated engagement, empowerment, and investment with senior management. They also requested validation from HR and OD during the selection process, to avoid any biases. Meanwhile, FG-1 states: *“We have some negative impacts of that revolution on the company. But if I am looking from the positive side of that, there is market demand and we are ready because during the years of revolution, talking now about 4 or 5 years, a lot of projects were stopped but we prepared our people during that period. Now they have started and we are ready.”* (FG-1). Hence, the selection process featured as the main issue, even in the revolution years. Managers believed that they would require HR support in leader development. Middle management participants were concerned about training duration, and they were anxious that selected leaders may not remain with the organisation after its investment.

Similarly, middle management participants believed that prepared leaders may leave the company. If fewer staff leave the organisation, there is an overall positive effect. I-6 articulates this problem: *“My concern is preparing future leaders - after we prepare them, they may leave us for another company. You will spend time and effort and a lot of things and money for sure to prepare them.”* (I-6), and I-7 considers that: *“It is a long-term plan, it is 3 or 5 year plan, so we need to guarantee that this staff or this team who started this project will continue with us till we end this and get our results.”* (I-7). Participants stated that senior management needs to empower line management to work in an unconventional manner, and to define a future strategy that deviates from the norm.

## **4.5. Role of the HR and OD within the Organisation**

A common theme within all the participants' responses was the HR and OD departments' contributory roles in ensuring the leaders' success and encouraging collaboration across each level of the Group to achieve the main target. This theme is represented by I-10: *"The HR/OD created assessment tools to help us discover the talent and successor people and the gap to work on developing them."* (I-10). The subsequent sections highlight each role.

### **4.5.1. Talent Management**

Participants' responses revealed that there had been gaps in the leader preparation and development process before the Group had established corporate HR. This contrasted with the current steps and processes that had been established and implemented since HR and OD were formalised between two and three years ago. For instance, I-3 considers: *"... that the HR now plays a core role or a main role to help or support the top management to achieve our strategy because the big goal or the organisation strategy was cascaded now, operated now to all functions and all functions prepare their business plan, their objectives or goals according to company or organisation plan or strategy."* (I-3). Most participants admitted that the HR role within the Group was inadequate until its corporate role had been established in 2010.

Participants described HR as having two principal current roles. These are the HR operation covering Talent Management, including the Recruitment and Performance Appraisal, Talent Development including learning and development of talent and potential, and the administrative operation that includes personal, data, and employee relations connected with day-to-day activities between departments, managers, and employees. These roles are exemplified by I-3: *"I think there are three roles of HR: the main HR operation or support function, development of the organisation, and the development of human capital."* (I-3). Participants drew attention to the increased operational role, especially after the revolutionary period when there were many labour strikes, much resistance to change, and problems with staffing specifically related to the lack of skilled labour in the steel industry. The participants revealed how some employees became quite aggressive. Similarly, participants shared their experiences on the corporate HR role, having been critical of the containment of both external and internal challenges. According to the participants, the success of the corporate HR role is proven by the ES Group presently being considered one of the very few companies in Egypt that experienced minimum suffering on the back of the revolution. In fact, if other,

similar organisations recorded 100% labour problems, ES's labour problems reached 90%. Also, the focus group members mentioned the strategic role that HR would play in assisting management. I-1 recalls: *"HR supports the management to achieve the strategy or achieve their goals."* (I-1). This had been carried out under the OD and HR umbrella function after it had been established three years prior. Participants agreed that an essential strategic HR role was to build up second line management and to establish a process to continuously generate qualifications and second line management within the organisation. I-5 comments: *"The highest level of this Group, this should be addressed as a first priority issue and being identified as a first priority involving the HR."* (I-5). Another requirement was to embed a sustainable learning process specifically designed for the ES Group to sustain the business and to continue leading the region.

#### ➤ 4.5.1.a Talent Development

Senior management participants commented that leader development is recognised as the main responsibility of HR, alongside ensuring that the ES Group has a standard system of leader development. As I-2 states: *"HR are the sponsor of the system; the key players or drivers is the functional leader."* (I-2). These participants also insisted that each function leader should contribute to HR to receive knowledge and expertise and the historical background necessary relating to the steel industry and market. Some executive leaders mentioned that the current gap lay in the HR role of preparing talent programs for the talent. This embraced vocational and managerial training. I-8 acknowledges that: *"... it is very challenging for HR in Egypt and in the Middle East to find leaders."* (I-8). This implies that nationally and regionally, it is especially difficult for HR to perform this role. Nevertheless, participants believed that HR should become responsible for coaxing senior management towards leader development. However, most current leaders highlighted the need for potential leaders to gain exposure to achieve capacity and capability. This would ultimately build their skill sets and character traits.

Notably, executive management participants aired two examples that highlighted HR's contribution to leader development from a technical and managerial aspect. HR began as a technical committee that posted engineers to Germany to work at another top steel plant to gain exposure, more technical and managerial experience, and to receive coaching from other managers in the same field and industry. This assisted in their future leadership preparation and changed their thought. Executive management participants presented an example of how

leader selection has improved with HR's contribution. For instance, I-9 comments: *"HR needs to work on not only building technical qualifications, personality qualifications for future leaders, but also exposure. Simply because without exposure they will be always limited capacity."* (I-9). The example involves an ideal candidate who was a young employee with the correct personality, and I-6 extends this: *"I think HR and management should focus on these young professionals, try to support them and slowly develop them to leaders."* (I-6). This employee possessed communication capability, planning and negotiation skills, together with an essential ambition to lead. Such an example accentuated the necessity of having a talent pool to help the organisation and management prepare leaders. FG-2 voices the necessary attributes for future leaders: *"Future Leaders must have special track of development programs, clearly communicate, incentives, promotions, authority and empowerment."* (FG-2). Participants highlighted that the retention and reward system, articulated by FG-1: *"Future leaders, we have to retain them."* (FG-1), should be integrated into the organisational leader process and system to motivate leaders, and this should become part of HR: *"The HR has to be focused on as well to build the career path of all the staff and be motivated."* (I-11). This would confirm that the Group has the commitment and tools to assist potential leaders to maximise their efforts. However, most executive participants recognised that this aspect remains neglected in the Group.

Middle management and the focus group members indicated improvements in HR in terms of developing internal software and mobile applications to help staff access their data and information and also to inform others about their staff. The HR Information System - (HRIS) - meant that the ES Group could link their technology with the production management system so that accurate data was integrated using workflow to minimise the manual and paper systems used. I-5 summarises this: *"The HR developed internal system HRIS having all the HR function to link department, managers and employees. Having updated data accurate to get better decision."* (I-5). This has also allowed for better documentation and analysis to help senior management make better decisions.

#### ➤ 4.5.1.b. The New Role of OD

Most participants indicated the inability of HR to fulfil the strategic role, and they elaborated that the day-to-day operation and activities meant that HR had lapsed in their role endeavours. Upon further discussion with management participants, it was concluded that environmental change had been the major cause, and had ultimately impacted the

organisation and its people. This is confirmed by I-7: *“Still HR focuses on the operation parts more than day-to-day regarding the change. But it still needs to focus on the strategic part to help the organisation.”* (I-7). However, FG-1 noted that there has been some improvement through the OD department over the last two years, and this had helped HR to focus more on its strategic role: *“The OD focuses strategically and helps the HR to have a link with all organisation levels.”* (FG-1). Nevertheless, participants still expected more from both HR and OD in the short-term.

Senior management participants emphasised corporate HR’s second role through the establishment of an internal OD department. At the time, OD held primary ownership of strategic issues, dealing with the environment, culture, change, crisis, business process, assessments centre, and internal communications. The deputy General Manager of HR noted that the OD’s main role is to deal with the organisation’s strategy, to link strategy with senior management’s objectives, and finally, to integrate it with all organisation levels. Ultimately, this would attend to environment and culture challenges, especially during change in the short and long-term, therefore avoiding any failure or risk. However, this participant also expressed concerns that the present duplication of HR and OD roles that compels OD to take on some operational functions and increases its involvement implementation, detracts OD from its primary objectives. Middle management focus group participants stated that HR within the Group allows ES to receive a pool of information and data from everywhere in the Group and to focus on implementing practices. However, the participants contend that it is essential that HR and OD should not perform conflicting roles. While responsible for designing and developing programs and executing the organisation’s strategy in areas like leader preparation, the OD must also select leaders from different perspectives and put this decision to senior management. I-7 states: *“Without the OD programs or techniques or involvement we will never reach this goal.”* (I-7). Thus, it is clear that the participants believed that OD possesses a strategic role to build up second line management, to establish a process to continuously generate qualifications for these personnel, and to introduce a sustainable learning process specifically designed for the ES Group. This is evidenced by FG-2: *“Our OD department are working now on this process and these policies or regulations, which guarantee that we will get or obtain our tomorrow leaders in the coming 2 years or 3 years.”* (FG-2). However, the focus group participants as a whole were unclear on the defining factors of HR and OD. Participants experienced difficulty when differentiating between both roles, since they understood the HR/OD as one general function.

Indeed, the participants accentuated the successful actions of the OD function that had begun by building the competency model of the Group enlisting the participation of more than 250 employees from sample levels of the organisation, including senior management. I-2 articulates: *“The OD have to design programs to develop future leaders in a fast way to help them to take the opportunity to be in leadership positions.”* (I-2). As FG-2 contends: *“The OD department helped HR management to identify future leaders: first, by involving direct managers to receive options and feedback from each team member, and then second, by leveraging the evaluation system (Performance Appraisal).”* (FG-2). Assessment-based promotions were implemented to discover more about leaders’ personality, abilities, skills, and attributes via a dedicated internal assessment centre based on the competency model built.

## **4.6. The Added Value of HR for Leader Success**

### **4.6.1. Strategic Alignments**

Executive management focus group members expressed concerns regarding current leadership and the present strategic direction of the Group. This was unclear for middle management participants. Consequently, a significant amount of participants mentioned the possibility that the strategic direction may likewise be unclear to junior level managers. This is highlighted by FG-1: *“It is not clear the strategy for all levels within the organisation.”* (FG-1). However, most participants were aware of the strategic objectives and the organisation’s goals. Thus, they were reassured that senior management regarded the importance of change due to general business environment changes as paramount. In other words, the organisation could thrive, despite the adverse conditions of the past six years. I-11 states: *“The current stage and change we have no strategy, only to sustain business.”* (I-11). Simultaneously, senior management focus group participants were hesitant to panic its employees, shareholders, and other stakeholders. Since the organisation’s workforce generally comprises white and blue-collar employees, such panic would collectively indicate that they may not fully understand the organisation’s strategies. Other concerns were related to senior management’s ability to empower leaders in the context of organisational strategy and goals. For example, I-8 considers: *“My concern on the concept of the future leaders: how the top management empower and to be engaged to apply that concept.”* (I-8). Trepidation was also voiced about whether they could enable and engage in implementation to ensure support from the rest of the organisation.



The focus group participants discussed the potential negative impact on staff and middle management if the company were not industrious in preparing leaders and second line alternatives from the existing talent pool. I-10 states: *“This will create a demotivation among the second line, if we didn’t have a process and alternative for them.” (I-10)*. They mentioned the top management empowerment and HR as a support to thinking in a motivated manner. FG-1 comments: *“That needs the top management empowerment regarding the future leaders to work in an untraditional way.” (FG-1)*. Also, the focus group participants noted the significance of managers themselves coaching leaders, that takes precedence over commitment to investment from senior management. In particular, FG-2 states: *“The direct manager needs to coach the future leaders and if they are not available enough to make this, it will not result in the optimum result.” (FG-2)*. Participants believe that this aspect is still not widely adopted, thus risking leader development, and therefore, the organisation itself.

The focus group members additionally commented on the need for communication within the organisation to ensure that they have clear processes for giving messages. This became an important issue, particularly because of the rapid changes and the subsequent management need for support from HR/OD and other departments. Also, the focus group participants and staff requested enhanced opportunities, suggesting that the OD and HR departments could manage the project. It would begin with setting the criteria and steps to be taken in co-ordination with the organisation culture and strategy. FG-1 agrees: *“We spoke about having an orientation and communicating strategy, communicating strategy I think is very important and the mechanism of communicating strategy like staff meeting and so on like the regular mechanism to communicate.” (FG-1)*. They proposed that management empowerment and commitment is vital to permit the success of the program. Line manager participants requested learning systems to provide learning and development for all employees within the Group. This remains missing in some areas.

The focus group members noted that the leader preparation and development process is still unclear. The only clear step in the process is the available competencies model for the organisation and leadership. More specifically, this is the assessment framework for all the junior and middle levels within the organisation (almost 600 employees). I-4 points out: *“I don’t know a clear process but I know the OD is working on having a program for a succession plan based on the new competencies model. But I can say the assessments is good step to know who is the best and the gap to work on that, but we don’t have feedback till*

now” (I-4). Assessment aims at discovering those with high potential and to develop a training program for them as a short-term plan within the next one-to-two years, and a long-term plan of three-to-five years. However, this had not yet been communicated from senior management or the HR/OD.

HR/OD participants requested the alignment of all levels within the Group to raise awareness of procedures and retrieve what was needed from senior management, managers, and staff including HR and OD departments to help the Group achieve its strategic goals. It was considered that HR needs to work on linking the idea of having potential leaders with sourcing, attracting, selecting, developing, and promoting internal employees within the organisation. Also, OD has to work more comprehensively to assess the organisational strategy and gather what is needed to help senior management deal with rapid change and challenges. The aim is to achieve goals more quickly with minimum risk.

#### **4.6.2. Communications, Performance and Learning**

The primary gap emphasised by most of the focus group participants was that the main role of both HR and OD within the organisation was vague. The focus group members explored the phenomenon that OD played a more operational role due to demanding changes from the internal and external environment, which has detracted it from its strategic role. Although a strategic function within HR, OD tries to fulfil both the strategic and operational roles. This is indicated by FG-2: *“I believe HR/OD manage both operation and strategic role for the organisation that causes delays sometimes regarding the change. However, still we need them to build the process and continue it to build line two.”* (FG-2). However, this ultimately negatively impacts the results achieved by the OD department because strategic focus is lacking. The focus group participants further highlighted the need to concentrate on the OD’s role to set up the process for leaders, and discover a means of matching development with the business and the organisation.

This was discussed with the middle-management focus group participants, who are directly responsible for OD. They commented that there are presently no defined leader programs available. However, they aimed to create a leader program for the organisation to ensure they can supply the organisation with its leaders through clear processes and steps and provide potential leaders with opportunities within the organisation. FG-1 expresses this: *“We need a clear program and process for selecting the best, the HR/ OOD has started the assessment which, I believe could be better but we need to know the result of others and make a link with*

*performance and knowledge transfer.” (FG-1).* Evidently, some senior management participants were anxious about the organisation’s output. To enhance its effectiveness and efficiency, and to enable potential leaders to continue leading the market, they sought assurances that there was a method in place for transferring experiences to others. Another objective of this is to continually maintain the Group’s market leader position. Participants agreed that if such a process is likely to be in place during the change there will be time to cultivate potential leaders.

Further, the focus group participants had mentioned the aims of middle management and the junior staff (Talents) towards being given opportunities in their careers, particularly when they are young. The junior management focus group members had discovered that the hierarchy made it difficult for them to secure promotions. In contrast, the middle management focus group members highlighted their positive relationship with senior management, although they shared the criticism by junior delegates of unclear communications regarding strategy and change. FG-2 argues: *“I believe the current situation means top management and managers don’t have time to communicate regarding the change that became fast and unclear so, they may need to have support in the communication to avoid problems.” (FG-2).* They recognised that such an endeavour may take time and understood that it emanates from a trust relationship built up with senior management. The focus group participants explored the managers’ relationships with their staff and senior management, and described it as a *“core link”* between them. There was a consensus between all the focus group participants that a gap exists in some functions and also in the maturity of others to take over the lead.

#### **4.7. Summary of Findings**

The data gathered from the interviews with senior and executive management focus group participants permitted the exploration of responses to the study’s research questions. Considering participants’ feedback on potential leader approaches and practices meant conclusions could be drawn. The participants’ data was invaluable in providing deeper insights into the application of leadership development through the testing of various simulated scenarios. Hence, it provided replicable and reliable approaches to the challenges facing leader development. The focus group structure, together with the semi-structured questions, produced relevant data that is applicable to cases in developing countries. Table 6 below summarises the conclusions drawn from each theme and subtheme.

History:	ES has become the leading steel producer in Egypt and the Middle East over the last twenty years.
Culture:	The participants highlighted the reputation of the Group's brand 'ES' for quality, customer commitment, market, and the quality and safety of its employees and the Group.
Beliefs:	The management believes that preparing and developing leaders is the best solution to deal with these stages of fast change and in turn, sustain the market leadership and create business opportunities.
Leaders Influence:	The focus group members realised that the leader needs to lead the company in a better direction. Providing better opportunities for the business comes from a deep rooted cultural psychology.
Leadership as a Remodel:	There is flexibility to take decisions and lead the Group smoothly.
Leadership Competencies	Leaders' vision during a critical time to invest in both technology and human capital prepared other leaders that were capable of dealing with change and challenge.
Leadership Traits:	The focus group highlighted the importance of the personality or charisma of leaders to make good leaders to lead the Group and the business. Also, flexibility to deal with situations and the ability to take decisions beyond their innate skills were acknowledged as essential.
Leader Identifications and Selections:	All participants expressed HR's responsibility for preparing leaders and talent in the organisation, since most of the middle management would now be equipped to train second line candidates.
Contributions and Systems Infrastructure:	All the focus group members across all managerial levels collectively considered the importance of a programme design.
Communications and Job Rotation:	Others highlighted the significance of receiving exposure in different functions and companies within the Group and industry. Participants agreed that addressing all these issues would ensure that new leaders could communicate; deal with situations; challenges, change and crisis; gain more experience, and cultivate people management.
Coaching, Training and Delegation:	Effectiveness could be measured regularly through performance appraisals. Management focus group members perceived their role as primarily focused on delegation and guidance, with the training and development responsibility lying with HR.
Transformation:	Another element highlighted was the sharing of knowledge and experience and obtaining knowledge transferred from current leaders and managers.
Identification and Assessment:	Senior management believes this would enhance the organisation's performance and ensure that people cared about the result more than

	the current outcome. It would also give a competitive advantage to the organisation at the point where the market settled again.
Line Managers' Mentoring:	Most participants requested a clear programme to prepare and develop leaders rather than an individual or self-approach to reduce the risk of incorrect selection.
Top Management Empowerment:	Participants stated that senior management needs to empower line management to work in an unconventional manner, and to define a future strategy that deviates from the norm.
Talent Management:	Participants agreed that an essential strategic HR role was to build up second line management and to establish a process to continuously generate qualifications and second line management within the organisation.
Talent Development:	This would confirm that the Group has the commitment and tools to assist potential leaders to maximise their efforts. However, most executive participants recognised that this aspect remains neglected in the Group.
The New Role of OD:	The OD department helped HR management to identify future leaders: first, by involving direct managers to receive options and feedback from each team member, and second, by leveraging the evaluation system (Performance Appraisal). Also, assessment-based promotions were implemented to discover more about leaders' personality, abilities, skills, and attributes via a dedicated internal assessment centre based on the competency model built.
Strategic Alignments	It was considered that HR needs to work on linking the idea of having potential leaders with sourcing, attracting, selecting, developing, and promoting internal employees within the organisation. Also, OD has to work more comprehensively to assess the organisational strategy and gather what is needed to help senior management deal with rapid change and challenges. The aim is to achieve goals more quickly with minimum risk.
Communications, Performance and Learning:	It was recognised that such an endeavour may take time and that it emanates from a trust relationship built up with senior management. The focus group participants explored the managers' relationships with their staff and senior management, and described it as a " <i>core link</i> " between them.

**Table 6: Summary of Theme/Subtheme Conclusions**

## **Chapter 5**

### **Discussion of the Findings**

#### **5.1. Introduction**

The issue of preparing and developing leaders was unexpectedly complicated. This thesis has progressed from deciding upon the best approach to understanding the drastic challenges that ES faces, to reviewing the pertinent literature, stating the methodology to be used, and finally, to data collection and analysis. Chapter 5 discusses the study's findings in relation to the emergent themes.

#### **5.2. The Organisation's Leadership Approach**

The existing literature accentuates the debates and concerns of any organisation during the first half of the twentieth century on whether leaders are born with leadership qualities (Bontas, 2012). Previously, many authors have debated these characteristics and how to develop them (Muir, 2014). Other literature highlights the difficulty of having a standard leader definition. This was evident in this research study, with confusion among the participants around the different meanings and the lack of consensus on definition, culminating in some participant debate. Although most scholar practitioners agree on defining leaders as those who have the sense and capabilities to help the organisation set a smooth direction, there are still different approaches towards leaders, managers, leadership management, and market globalisation (Bontas, 2012). Moreover, the data gathered shows the Group's varied arguments on this topic. Current leaders and managers at all levels of the Group understood the difference between those two meanings, and they realise the importance of leaders for the organisation. They agreed that leaders ensure the Group's success. Thus, the study's data and the literature shared similar assertions, especially about the purpose of leaders during uncertain times (Hollis, 2007).

Moreover, the literature stated the risk of using yesterday's model (Fitzgerald, 2009), and argues that leaders or organisations should be more transparent and clear. The transparency of decision-making was not highlighted in the gathered data. Some participants found difficulty in understanding the theoretical concepts of the leadership strategy due to the organisation's

cultural sensitivities, whilst others were elusive in sharing their views frankly. Nevertheless, the literature supported the idea of building a talent culture during challenging economic climates, to be different from competitors, and to drive the success of the business, as occurred in the case of IBM (McGurk, 2012, p. 11). This approach was identical to that taken by senior management throughout the upheavals confronting the ES Group. The Group reacted by becoming dynamic and helping its employees to achieve high, rather than dwell on the difficulty of the challenges. Senior management encouraged positivity and were uniquely competitive, using a talent pool from which leaders could be selected (Collings and Mellahi, 2009). Additionally, senior management initiated a talent pool leader development and training process. Similarly, this research study identified that ES Group's senior management echoed the same theories expressed by PricewaterhouseCoopers (2012). These theories focused on the concept of potential leaders ensuring success.

### **5.3. Resources Needed to Prepare Leaders**

Most organisations facing challenges, change, and uncertainty generally find themselves in business instability. This was evidenced in the participants' responses. It resonates with the literature, particularly when the organisation confronts economic or financial challenges (Dequech, 2004; Sheehan and Sparrow, 2012). Rothwell (2011) concludes that when organisations face these challenges, they should continue to invest in preparing leaders because of leaders' ability to help sustain organisations' competitive advantage. Indeed, challenges are handled effectively, ensuring survival and success within the local and global competitive market (van Dongen, 2014). Advice promoting leader development via the HR department focusing on their training (Cascio, 2014) was echoed in the senior leaders' views in this study. Extending this, leadership development becomes important for all operating within the organisation, even in developing countries, to confirm leadership positions inside the organisation who can deal with change and be ready for complex situations (Chi and Ohlsson, 2005). Nevertheless, the focus group participants in this study also evidenced unclear communications between different Group levels. This differs from Chi and Ohlsson's (2005) advice to ensure leaders provide clear communications to permit organisational collaboration.

The reviewed literature highlighted the importance of leaders, especially during hard times or critical stages like change and uncertainty (Cangemi et al., 2011). It also noted that most organisations facing change needed company leaders and potential leaders to ensure the

success of the organisation or at least sustain it with knowledge transfer (Hollis, 2007). The data gathered from most participants in this study included the common approach that having Group leaders from all levels secured second and third lines. Participants noted the current environment, change, and uncertainty that the organisation had confronted, and the need to have a strategic solution or innovative approach to help it sustain its current leading position. They described some actions that could help ensure the success of that approach, like the engagement of senior management with all its employees, thus generating more collaboration, which is currently non-existent. The study's data suggested that the responsibility of making these alignments lay with the HR and OD departments, but this was not evidenced in the reviewed literature. The gathered data revealed the necessity to design an approach that could match the organisation, depending on factors such as size, age of the company, culture, investment, top management decisions, and developed or underdeveloped countries among others. This appeared to be a novel finding, that was not indicated in the studied literature. Many other factors were implied, but exact ones remain vague. Current leaders at ES state that the organisation must be in the saturation phase of the business growth cycle, and not in the start-up or decline phases if it engages in this strategy. In addition, senior management engagement is needed, together with collaboration from the entire organisation. The uncertainty and change phase is described as the most useful time to prepare and develop leaders to handle complex situations. These points are also contained in the literature.

Possessing leaders depends on the existence of the organisation's talent pool. The literature states that the organisation can select leaders from a talent pool, and then prepare and cultivate them. This study's participants cited a gap between talent management and the OD department, and discussed how to enhance it and so define and leverage this talent pool (Burke, 1994). Clearly then, OD's evaluation and assessment of the leaders helps organisational growth. This means that ES's OD department can assist the organisation in selecting leaders and instigating succession processes (Church and Rotolo, 2013). By extension, this study's data showed that OD needs to become the principal function once corporate HR is established. OD has a unique role in ES to assist the organisation to fulfil the gap created by change and to apply new approaches that match the rapid changes and uncertainty that is confronting the ES Group.



## **5.4. Leaders' Competencies and Identification**

The reviewed literature offers guidelines around the significance of leader competencies. For example, Lombardo and Eichinger (2001) contend that agreement on which leadership competencies link with the organisation's goals determine the link between people and achieving goals (Guggenheimer and Szulc, 1998). Recently, Patterson (2015) studied new leadership capabilities needed to deal with delayed change. Johansen's (2012) novel Volatility, Uncertainty, Complexity and Ambiguity (VUCA) model containing four levels of human relationship: self; others; organisation, and leading in the wider system can be used. Most participants in the study noted the achievements of the HR and OD departments in building core competencies for the Group and securing collaboration with the majority of the organisation's levels. They had also instigated a leadership selection process utilising important leadership competencies obtained from senior management using interviews, workshops, and survey questionnaires.

The main points covered in the literature regarding leader personality and characteristics were that leaders require values, beliefs, assumptions, feelings, and behaviours to control and shape their leadership and experiences. However, the study's data emphasised the complexity of the environment, change, and challenges confronting ES, particularly after the revolution in 2011. Hence, coping with pressure has become paramount in the organisation's success. The study's participants acknowledged specific leader characteristics are required, akin to the literature, but add that they expect leaders to command different events and to take decisions at the right time. This would enable them to set a direction matching the organisation's needs by building trust. Also, the literature highly recommends good communications stemming from the organisation's leaders (Raelin, 2003). There was robust evidence of this in the study's data. It was also discussed how leaders should engage in dialogue with others to help set the right direction, clear communications, and take better decisions to achieve goals that closely identify with the organisation's culture, thereby improving performance through problem solving. Most participants concurred that decision-making; commercial thinking; dealing with complex situations; on-the-ground team work, and strategic thinking are unidentical to those contained in Johansen's (2012) new VUCA model, whereby these particular qualities (volatility, uncertainty, complexity and ambiguity) need to match with change.

Meanwhile, Jacobs (2005) cites the critical issue of identifying leaders to ensure expanding international competitiveness, core competency, and corporate distinctiveness. Also, Muir (2014) mentions different theories on identifying leaders to help the organisation possess effective leadership (van Knippenberg et al., 2005). However, there was general positive feeling concerning the progress ES had achieved through its HR and OD departments across the focus group participants. More specifically, they noted the work of these departments in employing assessment tools to hire new talents, offer promotion, and identifying and selecting leaders based on the competencies chosen by the top management committee. It was additionally acknowledged that these departments had discovered a gap in leader planning and development within the organisation and had implemented assessment of high potential HIPO to indicate leaders. Leader development had begun. What was unclear in the data was recognition of the breadth of the continuing professional development (CPD) components that embrace values, knowledge, skills, attitudes, behaviours, and characteristics (Bailey, 2013). These were not clearly covered by HR and OD roles in their leader assessment or development process.

## **5.5. Leaders' Development**

Butler et al., (2016) argue the non-existence of adaptation of organisation pathways examples in developing countries. Neither is there a procedure for evaluating a process for leadership development without corporate HR and OD in place. This was the case in the ES Group. The only replicable process is when senior management and current leaders select talents as potential leaders and send them overseas for training or to acquire an MBA. However, the study's participants articulated steps they believed could assist when nurturing future leaders, like coaching and mentoring. These steps would also enable knowledge transfer. Such benefits were stated by Bond and Naughton (2011), who considered coaching benefits to be personal development, goal attainment, career growth, and knowledge transfer (Muir, 2014). Other participants itemised learning by leadership. This is described in the literature as a means of moulding leaders from current leaders' experiences (Patterson, 2015). The participants viewed coaching as a method of applying the organisation's learning to HR so that leaders and people within the Group transfer their knowledge and expertise to others. It encourages preparation of a special development program that could be adapted to accommodate varying leadership needs.

Likewise, the literature presents a long-term leader development process that targets the talent in senior positions through improving leadership capabilities for both transactional and transformational leadership (van Dongen, 2014). This cements a positive relationship between followers, promotes experience transfer, and builds a trust and engagement relationship between levels (Dirks and Ferrin, 2002). This has begun in the Group and was highlighted by the study's participants. Utilising a Competencies Model and special competencies for talent and high potential could work in the short-term if the team talent requires immediate development. This view matches with that of Hamel and Prahalad (1996).

## **5.6. The Advanced Role of HR**

Muir (2014) discusses the strategic role of having future leaders in an organisation to add value to the organisation and help maintain a competitive advantage. This was also evidenced in the literature. This is a recognised principle used to ensure a strategic approach towards having a talent pool within the organisation (Mathew, 2015). With this approach the organisational strategy and the link with HR (attacking, selecting, developing, and retaining) in ES can be assessed (Ingham, 2006). It requires the engagement of senior management to ensure knowledge transfer and collaboration between all levels within the Group to establish learning and success, especially during hard times (Cangemi et al., 2011). Nevertheless, the study's data revealed an omission in the assessment of the organisation's strategy, although the OD department had begun helping the senior management and leaders to analyse this. Further, environmental factors and their challenges require the Group to be aligned with senior management and discover an improved collaboration and communications method across the Group. This is presently omitted during this period of uncertainty. Additionally, senior and middle management participants commented that the added value for the organisation from having leaders depends on the HR and the OD departments to achieve or apply this approach and make the change, which must be linked with the organisation's strategy to deal with changes and to continue its success.

The study's data indicated senior and middle management's demands to move away from traditional approaches to handling challenges and changes during uncertain times. These participants preferred an untraditional approach. This differs from the literature in terms of the business and/or the organisation expanding or continuing to compete in the global market. It depended on leaders, and having leaders selected via a talent pipeline (Jacobs, 2005). The literature accentuates the need for a talent pool in any organisation, especially after the war of

talent that McKinsey had raised (Mathew, 2015). Senior management and executive level participants also mentioned that the Group and the business both require potential leaders and that these leaders were crucial.

The literature revealed that based on field research, the HR department was omitted in organisations in developing countries. Indeed, it is still neglected within its unique organisational environment compared with western countries (Mamman and Somantri, 2014). Also, the HR practitioner's role in the organisation requires it to be more strategic (Ulrich, Losey and Lake, 1997; Ulrich and Brockbank, 2005) and to be effective by integrating organisational strategy (Mamman and Somantri, 2014). Nevertheless, the study's data indicated a case or model at ES that was more than what was expected from HR, and which appeared more advanced in some areas than in western countries. The HR contributions for the organisation assigned the OD department to focus on the environment, culture, and all the strategic and operation issues as well as focus on the operation issues. It was also required to assist senior management and the Group to confront all challenges and handle change. The study's data highlights some proposed steps, such as adopting a competencies framework and assessment centers. It was evident that assessment tests would help to hire, promote, and identify high-potential people. All of these detail the authority of the HR and OD departments in the Group, and they can be used as role models for other organisations when they are given empowerment.

Rothwell (2011) states that replacement planning is an initiative for succession planning and talent management. Securing a replacement is not easy. Talent and bench strength in an organisation may be weaker, or less well prepared, than a manager's thought process that will alert them to action requirements. Replacement planning helps to identify the training required to prepare backup individuals (Rothwell, 2011). Job incumbents can be consulted about backup requirements in terms of training so that they are at least minimally prepared for higher-level work. This pinpoints issues raised after implementing more formalised succession processes. Also, during replacement planning, executives request objective criteria to select replacements related to competencies measured through behavioural indicators. External candidates can be considered, as external recruitment/selection is listed on a replacement chart, and internal job posting is integrated with replacement decisions. By determining who is imminent for promotion, individuals begin to discover their high potential. These motivate the creation of more robust succession planning and talent

management programs. They rely on more objective decision-making about potential, more individual development planning, and a more thoughtful response to building the organisation's bench strength to meet future challenges (Rothwell, 2011). The study's data mentioned the worth of HR and OD advances in starting the process, but noted that it was not yet finalised. This is anticipated in the coming two to three years. The departments use the assessment centre and the benchmark, but these are not yet useful because not all developing countries use them due to the associated cost.

### **5.7. The OD Inside the Organisation**

The reviewed literature portrayed the OD department sometimes as valuable HR tools, sometimes as an external factor, and sometimes as a consultant. The study's data suggest that the success of the OD department and the importance of it being internal within the organisation is realised only slowly. Likewise, understanding the organisation culture, environment, strategy, and handling challenges takes time. The OD department could be an essential function for the organisation because it attempts to guarantee senior management's commitment to change, take new approaches, have potential leaders, ensure the continuation of projects, apply learning, and maintain clear communications across all levels within the entire Group. The study's data also stated that the designing process for leaders must be done by the OD department. They must be the function responsible for strategic issues, change, and preparing the second lines through identifying, using assessment (abilities, attributes, and motivation), performance appraisal history, and line managers' feedback. The OD would then design the rotation and development plan and share it with the committee responsible for the leaders project.

Similarly, the relationship between the HR and OD departments will impact their combined result. The OD is an innovation-oriented function, while the HR is stable and conservative. Reducing failure requires a systematic approach to deal with change (Muir, 2014). This differs from the study's data interpretation, where this aspect is unclear. In the study, HR/OD are seen in the Group as one function handling both strategic and operational roles together.

The cultivation of successful leadership is difficult and important for the organisation because it needs the individual's participation when creating a leadership development process that follows Knowles's (1980) five assumptions of adult learning. This requires a supportive environment for learning and sharing. Having a leadership pipeline, an organisation has to identify the key people (High Potential Employees) to take the lead in the future, have

flexibility, be able to adapt and reduce risk, and have high development. Leader development is needed by all organisations to set a direction, to make a commitment, and ensure business success. It must have trust, communications, and empowerment (Kirkland, 2009).

Church and Rotolo (2013) highlighted a suitable approach whereby OD could measure and develop leadership potential through combining talent management and the OD department to work smoothly. In this study however, senior management mentioned the steps taken by the OD department using the High Potential assessment (HIPO) to identify the right talent, discover the gaps in missing competencies, and recognise the talent capabilities to lead the second level. The HR team stated that HR's motivational tools and engagement should be used to inform the OD approach towards acquiring leaders.

## 5.8. Literature Comparison of the Findings

Table 6 below summarises the findings emerging after analysis of the participants' discussions and the organisation's responses. These are compared with points evidenced in the literature.

Finding	Literature	Reference	Organisation response
Level of leadership importance inside the organisation.	The importance of leaders exists at all levels within the organisation.	(Bontas, 2012).	One of the most important challenges is the availability of second and third lines of leaders, which are affected by the current management style. This lacks institutionalisation and is preferred to centralisation.
Leadership process.	Very few regard leadership as a continuing process.	(Bass, 1990).	The organisation needs to prepare the leaders via a preparation process. Few know about the existence of a process due to be completed imminently. It includes a performance appraisal system, choosing the selected top performers

			from succession or potential people, and then the top performers are subjected to external assessment. The selected people resulting from this assessment are taken into special development programs to produce leaders.
Describes the leaders.	Feelings of self-help as organising, which gives meaning to their behaviour.	Muir (2014).	Leaders are successful drivers in the organisation, they should have some skills, like ethical values, be extremely dynamically minded, have high level of communication, experience, and knowledge. These reflect their behaviour.
Talents.	Having the leaders requires a talent pool.	(Collings and Mellahi, 2009).	Planning and developing talents: there must be a talent pool that can be drawn upon from all levels in the Group. Then, there must be screening, selecting, and leader development. There must be a leader development program in place.
Potential leaders or talented people with competencies.	Those who have the ability to develop themselves within the organisation using their capacity to achieve and to be responsible for leadership challenges.	(Goffee and Jones, 2009).	Leaders are successful drivers in the organisation. They should have some skills like ethical values, be extremely dynamically minded, have high levels of

			communication, experience, and knowledge that reflect their behaviour.
Description of potential leaders.	Leaders described as talent. They can be developed by conversations at different levels to increase quality and decrease turnover.	(Bilbrey and Jones, 2010).	Leaders should communicate with different Group levels; conveying orienting strategies and challenges to the different Group levels, and receiving feedback from different Group levels.
Leader development process.	The process starts by identifying employees' motivation, strengths and opportunities, and aspiration.	(Bilbrey and Jones, 2010)	Potential leaders desire an identification process having clear criteria and adequate training and development. Leaders need to be motivated through recognition and a special package of benefits.
Select future leaders.	Future leaders are selected from the internal talent pipeline.	(Jacobs, 2005).	The process is lengthy. Identification of leaders has to be linked with clear criteria after determining the critical positions. This process must be accomplished through co-operation between HR and current managers.
Strategy for developing leaders.	Most companies do not have a clear structure or strategy.	(van Dongen, 2014).	It is clear that the leader planning and development process must be prioritised. The process must be well organised, connected with top management strategy,



			and totally related to the organisation's competency model.
The most effective training practices.	Use a bench-mark to identify, assess, and develop leaders. The organisation should send potential leaders out for global training.	(Rifkin, 2011; Colvin, 2012).	Choose the selected top performers, succession or potential people to assess and develop through training, overseas training, and rotation.
Coaching.	Coaching helps people during transitions regarding personal development, goal attainment or changing roles.	(Bond and Naughton, 2011).	Top management has to be committed to implement special financial and developmental programs for leaders as a part of their coaching.
HR role in developing countries.	This remains neglected.	(Mamman and Somantri, 2014).	HR's important role in the organisation is represented in a strong recruitment process, retaining the talented employees through training and development, career path designing, and its crucial role in potential leader creation.
HR practitioner's role in the organisation.	HR needs to play a more strategic role to be effective in integrating organisational strategy.	(Ulrich, Losey and Lake, 1997; Ulrich and Brockbank, 2005) Mamman and Somantri, 2014).	HR now plays a core role. It supports the top management to achieve Group strategy because the overarching goal or organisation strategy was cascaded and operated to all functions. All functions prepare their business plan, their objectives or goals according to the organisation's plan or strategy.
HR's future	The main focus points were to	van Dongen	HR's important future

role.	prepare leaders to handle current concerns and to be ready for future challenges to ensure survival and success within the local and global marketplace.	(2014)	role in the organisation is represented in retaining talented employees through training and development, and career path designing. Its role in potential leaders' creation is crucial.
OD guidance for the organisation.	OD should design the most suitable approach for measuring and developing leadership potential.	(Church and Rotolo, 2013).	The OD department is well equipped to deal with such strategic programs.
OD plays a role during expansion and uncertainty.	OD specialists should be open-minded, cultured and respectful, and understand values.	(HR Magazine, 2007).	The critical OD role is to enhance leaders' capabilities and organise their development process.
Main challenge for developing countries.	Prepare a leadership program matching the culture of the developing countries.	(Toppin, 2017).	The main challenge is the availability of second and third lines of leaders. There are concerns regarding the application of a leader preparation and development approach in ES because top management commitment is lacking, and there is an inflexible organisation structure that is not conducive to leader retention.

**Table 7: Comparison between Literature and Data**

## 5.9. Summary

Clear agreements exist between ES's management and the academic literature. Both acknowledge the critical need for delegating responsibilities and empowering potential

leaders early in their careers to begin their preparation process. Most importantly, the participants shared challenges that the literature also addressed. These included the availability of second and third lines of leaders. However, opinion diverged regarding how current management style affects leader availability, since the literature omitted institutional preferences to centralisation.

Although the literature accentuates potential leader significance, a talent pool is a prerequisite for the planning and development process. Most participants elaborated on ES's need to prepare leaders through a process that heavily involves the HR department in the development program. To be effective, the desired process for leader development embraces an identification process with clear criteria, adequate training and development, and where leaders are motivated by recognition and special benefits packages. The literature further noted that those having the ability to self-develop within the organisation use their achievement capacity and positively adopt leadership challenges. However, the ES management foresaw that this would be a lengthy process. Leader identification has to be linked with clear criteria after critical positions are determined, and this process must be accomplished through co-operation between the HR department and current management. Moving forward, the literature suggests that notwithstanding organisations' acceptance that a leader development strategy is very significant, most organisations lack the structure or initial strategy for such an endeavour. Yet it is evident at ES that its management respects the urgency for this process within their organisation. Hence, the management states that implementing a leader planning and development process must be prioritised, well organised, connected with top management strategy, and totally related to the organisation's competency.

The participants concur with the literature about the importance of the OD department's role for leader development, and that OD should be knowledgeable on the most suitable approach for measuring and developing leadership potential. The participants elaborated on the crucial role of OD to enhance leaders' capabilities and organise their development process. They agree with the literature that emphasises that OD specialists should be open-minded, cultured and respectful, and understand values. The participants identified that the primary challenges confronting ES in its application of a leader planning and development approach were diminished senior management commitment, an inflexible organisation structure, and the need to retain these leaders within the organisation.



## **Chapter 6**

### **Practical Applications & Conclusion**

#### **6.1. Introduction**

Chapter 6 draws together the strands of this research study and paints the wider picture. The research study has extended the researcher's personal understanding of an approach towards applying the leader planning and development concept in practice and its immense value to the organisation. Additionally, ES has benefited from this research. Long-term challenges and their business influences, particularly in fluctuating times, have received prominence in management thinking. Inevitably, stakeholders and leaders alike will continue to discuss the research findings via workshops and focus group discussions, and discover suitable solutions regarding perpetual leader development. Meanwhile, Chapter 6 progresses the practical application of the research findings, thus responding to the research questions posed earlier in this thesis.

#### **6.2. Organisation Commitment to Leader Development**

ES's senior management must reshape its thinking. It must review all leader definitions and debates that have occurred, accompanied by leadership and management differences that have developed over the recent years through different schools of thought (Zaleznik, 1977). Further, current leaders at ES can influence potential leaders through ethical leadership. This involves leading in a manner that respects the rights and self-esteem of others (Ciulla, 2004). Leaders are naturally endowed with social power. Ethical leadership focuses on how leaders use their social power in their decision-making, and the actions they engage in to influence others (Gini, 1997). Thus, if current leaders within the organisation practise ethical leadership, it is possible that potential leader retention will increase.

Likewise, ES employees throughout the organisation must commit to acquiring sensitivity skills like learning how to communicate and work effectively in diverse environments. This requires characteristics related to focusing culture-as-leadership, which may help during transformation and with culture diversity (Smith, 2013). Improved communications mean timely decision-making. The Leadership Model presented in this thesis sets a direction for the

team to achieve targets using a style that promotes enhanced organisation performance (Greenwood, 1993), and will impact ultimate decisions.

### **6.2.1. The Involvement of the HR and OD Function in the Leader Creation Process**

Collaboration and group working, especially during complex times (Isaacs, 1993) to achieve success may require discussions and dialogues to discover the emotions and feelings that impact ES's performance. Informed actions can then be taken. Also, people throughout the organisation must fully accept the benefits of leadership during change, and become aware of how they must adapt (Raelin, 2003, p. 166). This can be applied by the organisation through learning to encourage a flexible outlook (Raelin, 2003, p. 167), and be done by applying learning in the organisation that encourages flexibility, improving communication and transparency, and avoiding possible resistance and conflict.

### **6.2.2. Integrated Talent Management**

Reviewing different styles of leadership should help to build the trust needed (Thomas, 1977; Raelin, 2003) within ES through compromise, thus avoiding and accommodating any internal competition between talents. Also, understanding leadership style via frequent communications clarifies the positivity of charismatic, human-oriented leadership, and task-oriented leadership (Yukl, 1999). It would build trust between leaders and team members at ES, giving them ownership and a level of initiative (e.g., Spreitzer et al., 1999). This also creates value because it utilises innovation that emerges from dialogue and debate. In turn, this improves, forms, and generates new ideas from the team, and encourages beneficial collaboration, especially on problem-solving (Kirkman and Rosen, 2000).

### **6.2.3. Conclusion**

After gaining the views of the focus group committee and following subsequent workshops, the approach ES needed to achieve leaders within the organisation was established.

## **6.3. Assessing and Aligning the Organisation**

Any solution ideas need to be linked with ES's main goal to prepare and develop leaders. By default, this demands the understanding and appreciation of the challenges involved. This could be protracted. The situation is further complicated when preparation and cultivation of

leaders is still expected during changes in the environment, and uncertainty. However, if ES adopts a strategic approach, the organisation could empower its leadership and ensure knowledge transfer through its HR and OD departments. Significantly, this would support the organisation to achieve its strategy and have a competitive edge. The first challenge is to address the gap in other bodies of research around the notable differences between developed and developing countries. The second challenge revolves around the core role of HR and OD departments in applying the leader concept. The third challenge is to address the gaps that exist in linking the learning organisation to the development of leaders.

Also, senior management needs to thoroughly examine the ES Group environment; strategy; culture; type and understanding of leaders, and the leaders' concept. This could take the form of further research. With this knowledge a new, long-term approach could be formed and taken on board. This research study revealed that in the wider context, ES is a mature, traditional organisation that is bureaucratic and hierarchical. As such, it can be compared with reports of similar organisation types (Hitt, 1996).

Meanwhile, ES must share its organisational values among the workforce to increase efficiency and effectiveness that could transfer to renewed excellence. It could also evoke a complete organisation transformation. For example, the organisation could change in these ways: a controller-type leadership to a catalyst type; a working team to a synergistic team; a road map strategy to a learning map; a hierarchical structure to a dynamic network, and from knowing to learning. Finally, the measurement system could change from financial reporting to a balanced scorecard. This must happen for learning and knowledge transfer to occur, and to provide the organisation with added value through maintaining its competitive advantage in the short and long-term. Inevitably, ES will then have prepared and nurtured leaders who are ready for future challenges and can also handle fast change.

### **6.3.1. Focus Achievements Goals**

The literature indicates that to ensure the success of having leaders, senior management needs to be engaged (Hollis, 2007) and managers must transition into coaching (Bond and Naughton, 2011). However, the research study's findings also discovered that ES's workforce demands not only full senior management commitment, but also empowerment embedded in the leader development approach. Similarly, management needs to implement a coaching role as a crucial part of the leadership process. Leaders will be equipped with up-to-date

knowledge and expertise, such that they will achieve confidence to confront and handle difficult challenges and uncertain future conditions. The literature revealed the effect of knowledge transfer in increasing collaboration between all the functions and levels of the organisation. It applies a learning structure that would help leaders “survive and excel” during stages of uncertainty, turbulence, and rapid change (Cangemi et al., 2011, p.). Miller, Rutherford and Kolodinsky (2008) advise that organisation data should be collected rapidly during fast changes in organisations to maintain trust. The research findings identified processes in place at ES to ensure the development of leaders. These must continue to enable knowledge transfer and to apply the learning to ES so that a second line of management is prepared and ready, and the talent pool perpetuates. The learning structure will reflect ES’s collaboration endeavours, and deal with the current uncertainty of the Group. It will input flexibility to cope with rapid changes by preparing leaders most capable of dealing with change. Such requirements were emphasised in the literature. Notably, the research findings pinpointed the same aspects, but added that a learning structure would also ensure the improvement of the organisation’s performance as a third inductor that would realise the benefits of ES’s transformation.

A final achievement goal is that ES’s management and workforce are fully engaged with the organisation and its short and long-term objectives regarding leader planning and development. This would ensure long-term commitment on both sides of the organisation. Moreover, for the HR role to be effective, provisions need to be made for better communication with high-potential talents. This is achievable when OD assists senior management to assume responsibilities in promoting that role. Lastly, the research findings indicated that the process required at every level of ES to set definite directions was unclear. This can be remedied with the implementation of improved communication channels to promote a supportive environment to encourage a successful leadership approach within ES, like that involving Knowles’s (1980) five assumptions of adult learning. The research findings discovered a leadership pipeline and assessment tools, such as the High Potential Employees Assessment, that would maintain future leadership at ES. Nevertheless, alignment of this with the organisational structure, together with management collaboration is currently lacking.



## **6.4. Summary**

The literature evidences the need for ES to become a learning organisation where knowledge and expertise can be transferred to potential leaders. This would assist in preparing leaders for handling difficult challenges in uncertain times. It would introduce flexibility, improved communications, collaboration, and support. ES's performance would be enhanced because of a heightened competitive advantage (Senge, 1990). If this becomes a strategic goal for ES, as advocated in the literature, leader retention should improve. Indeed, if ES follows this research study's recommendation to assess and align leaders with the organisation culture, ES's current leading position during rapid change can be maintained. The steps towards this are detailed in Chapter 7.

## **Chapter 7**

### **Implementation and Recommendations**

#### **7.1. Introduction**

Chapter 6 reviewed the wider picture and the practical application of the key findings from the research study. Chapter 7 presents a means of creating a model and a framework to help in the wider implementation of leaders' planning and development. It was reviewed and discussed with the focus group members and had the input of senior management. Chapter 7 provides recommendations for future research.

#### **7.2. Theoretical Implications**

This research study follows the model and conceptual framework in Figures 7 and 8 below. Although research focusing on models to help organisations with transformation is limited, a framework for HR and OD can be derived from them. This framework advises on how to prepare future leaders to deal with change. This can be illustrated through the business case of ES as an action plan to prepare and develop leaders. The conceptual framework posits that HR and OD integration enables talent management to adapt effectively to its environment, while the HR and OD model summarises the wider picture of the topic. These environments require further understanding, especially in relation to the strategic role of HR and OD departments in developing leaders within ES.

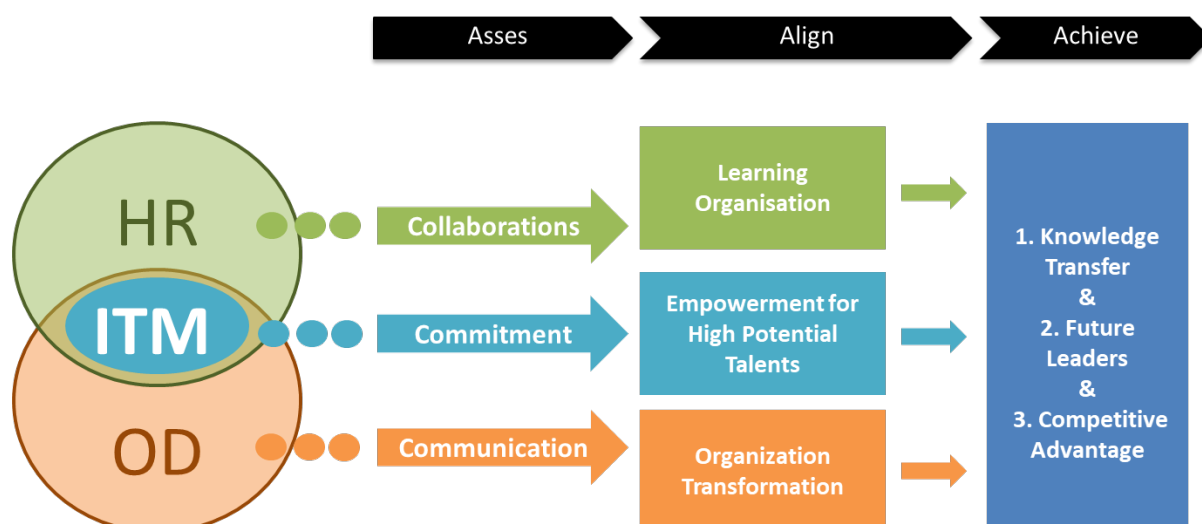
Additionally, the capabilities of the talent pool need to be isolated to assess the eligibility of talent as potential leaders. This thesis maintains that such eligibility depends on leaders' abilities to support the organisation to align its vision and mission. This will be particularly helpful for organisations in developing countries to assist them to deal with change and uncertainty effectively and still build a competitive advantage. This thesis resonates with this model and framework; however, the theoretical structure should expand in line with the propositions and the concepts created in this research study. Thus, this thesis evolves the "MADE IT" framework (see Figure 7 below) that links theoretical and business practice.

The importance of the “MADE IT” framework for potential leaders in developing countries is realised through applying the core role of the HR and OD departments to fill the gaps identified by the research findings. Figure 7 highlights the sweet spot (Morgan and Jardin, 2010) for the HR and OD domains from the perspective of the integration of talent management.

### **7.2.1. “Leaders Model 3 A and C’s”**

Utilising the currently recommended “Leaders of the Future” Model, incorporating both HR and OD departments, enables the organisation to transform and evolve leaders who can handle challenges arising from change and uncertainty. To recall, the research findings highlighted the importance of OD operating not only as a tool for HR, but also as a function that assists HR and the organisation to prepare and develop leaders. Part of the function involves OD also helping the organisation to handle change and integrating the process.

However, a model relies on the existence of both HR and OD departments, on having a talent pool, and on Integrated Talent Management (ITM: Morgan and Jardin, 2010). Then, there is the need to recruit and hire diversified staff with the skills and abilities needed. Finally, a model depends on the successful institution of a program that facilitates the smooth transfer of knowledge and responsibilities (Mihm, 2003), and helps the organisation in transformation to match with change and complex situations. This thesis proposes that the present Leaders of the Future Model at ES is modified to reach its goals of effecting appropriate and efficient leadership. Thus, Figure 6 below represents a modification model of the “HR and OD Sweet Spot” (Morgan and Jardin, 2010), entitled “Leaders 3 A and C’s Model for Future Leaders”.



**Figure 6: Leaders 3 A and C's Model for Future Leaders**

Morgan and Jardin's (2010) ITM Model highlights both HR and OD domains and their integration. The combination provides the vital links of the organisation's strategies for talent acquisitions and management that ensures ITM. However, it is anticipated in this thesis that some modifications to the ITM model may be required that not only focus HR and OD on integration, but also on succession planning, identifying talent, and knowledge transfer. This will not happen if the OD department is restricted in its scope. It needs to find an innovative way of ensuring the establishment of a learning organisation matching the organisation's culture. Also, the HR department and improved communications will be needed to ensure collaboration within all levels of the organisation.

Hence, the Leaders 3 A and C's Model for Future Leaders rests on an organisation strategy to support and empower the role of both HR and OD departments working to support the organisation to have ITM. Three steps are required to enable the Model's success. First, the Assess Phase ensures HR collaboration with all organisation levels to drive the ITM concept and to introduce empowerment via receiving clear commitment from senior management and the talents. Also, the OD department must establish a clear and simple communication method across all levels of the organisation. Second, the Alignment Phase ensures the HR scope and role focuses on the learning organisation, the ITM is empowered by management to identify and selects the HIPO, while the OD scope concentrates on the organisation transformation to ensure knowledge transfer. Third, the Achievement Phase ensures a beneficial outcome by empowering HR to link the scope and learning objectives with the

organisation strategy and performance through clear objectives and KPI's. Further, the ITM acts as a pipeline for HIPO to select the potential leaders, and the OD department prepares the organisation to cope with change and complexity to retain the organisation's competitive advantage. This model is significant because it ensures learning organisations assist with knowledge transfer from the current leaders to the potential talent, allowing them to become effective leaders. This inevitably benefits future performance and maintains the organisation's leadership position.

### **7.2.2. The “MADE IT” Framework**

This thesis proposes a framework that not only summarises the HR/OD relationship, but also recommends the role HR and OD should adopt to bring about organisational transformation. The framework was discussed with the focus group members and consensus was reached. The specific purpose of the framework is to help in preparing and developing the leaders during change to add value for the organisation through providing a competitive advantage established by talent and high-potential leaders. Figure 7 below represents this framework.

Additional Domain			Domain	
HR	M	1. Measurement	7. Retain	
	A	2. Alignment		
	D	3. Development	8. Deploy	
OD	E	4. Engagement	9. Value Creation	
	I	5. Innovation	9.1 Planning	
	T	6. Transformation	9.2 Culture	
			9.3 Design	
			9.4 Support	
The Leaders of the Future				

**Figure 7: MADE IT – The Leaders of the Future Framework**

Tables 7 and 8 below clarify the role and domain of HR and OD departments in the light of the “MADE IT” Framework.

HR Domain	Retain and Deploy
1.1. Retain	<ul style="list-style-type: none"> <li>HR is responsible for the retention and reward system to ensure the success of the program and prevent the loss of potential or future leaders.</li> </ul>
1.2. Deploy	<ul style="list-style-type: none"> <li>HR successfully retains a pool of talents and selects them internally. They are hired if needed and are fully fledged line two and three leaders.</li> <li>The staff or talent have to understand their role clearly so they can apply themselves to the required role and enhance their competencies and personalities and be offered a leader opportunity.</li> </ul>

OD Domain	2. Value Creation
2.1. (Planning)	<ul style="list-style-type: none"> <li>Deals with challenges of fast change and make necessary changes needed.</li> </ul>
2.2. (Culture)	<ul style="list-style-type: none"> <li>Identify a suitable approach or solution (Leaders of the Future) that could be applied and matched within the organisation to fit the strategy to achieve the organisational goals.</li> </ul>
	<ul style="list-style-type: none"> <li>Conduct OD Analysis of the internal and external environment to support the top management to review the impact on the organisational strategy.</li> </ul>
	<ul style="list-style-type: none"> <li>Identify the culture match with the organisation and the strategy.</li> </ul>
2.3. (Support)	<ul style="list-style-type: none"> <li>Align the strategy with the organisation's mission and vision to help the top management and the organisation to be strategic partners.</li> </ul>
	<ul style="list-style-type: none"> <li>Assign the approach and gain the support of the senior management.</li> </ul>
2.4. (Designs)	<ul style="list-style-type: none"> <li>Set the systems and processes needed to help the organisation and all the employees to understand and</li> </ul>

	apply them.
	<ul style="list-style-type: none"> <li>Identify the learning organisation as a process to make sure knowledge transfers within the Group</li> </ul>
	<ul style="list-style-type: none"> <li>Identify the way such assessments help the organisation to discover high potential employees from the talent pool (HIPO) who could be future leaders to fulfil critical and leaders' positions.</li> </ul>
	<ul style="list-style-type: none"> <li>Identify development programs for those HIPO based on the assessments conducted.</li> </ul>

**Table 8: Framework of HR and OD Domain**

HR New Domain	
1.1. Measurement	<ul style="list-style-type: none"> <li>HR measures the concept of having future leaders and the role of HR as a strategic partner in the framework to ensure the organisation's needs.</li> <li>HR identifies requirements of the approach with senior management to match the organisations and avoid any risks.</li> </ul>
1.2. Alignments	<ul style="list-style-type: none"> <li>HR will help to identify and agree on the future leaders' definition and concept by receiving all members' feedback and contributions and setting clear roles.</li> </ul>
1.3. Development	<ul style="list-style-type: none"> <li>Develop people with potential based on the assessment results and the position, using special short and long- term programs, giving assignments, and using rotation.</li> <li>Ensure managers' participation in the approach by allocating managerial time to coach and delegate to leaders. Align with HR to share feedback.</li> </ul>

OD New Domain
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2.1. Engagement	<ul style="list-style-type: none"> <li>• OD enhances employees' engagement and finds the motivation for each potential leader, depending on their needs, offer possible exposure and responsibilities to assess their capabilities.</li> <li>• Communicate the above processes and systems to all levels in the organisation.</li> <li>• The senior management must be committed to providing the necessary action and empowerment to the leader preparation approach.</li> </ul>
2.2. Innovation	<ul style="list-style-type: none"> <li>• Identify a suitable approach or solution (future leaders) that could be applied and matched within the organisation to fit the strategy to achieve the organisational goals.</li> <li>• Conduct the OD role of applying the learning organisation to improve learning and knowledge transfer.</li> </ul>
2.3. Transformational	<ul style="list-style-type: none"> <li>• Monitoring the progress of the HIPO assessment, development and performance needs to be reviewed, and ensure knowledge is transferred between different levels.</li> <li>• Take corrective action quickly if needed to continue the approach and to ensure success.</li> </ul>

**Table 9: "MADE IT" Framework: Additional HR and OD Domains**

The MADE IT Framework identifies two broad responsibilities involving the HR and OD departments. The *HR domain* is depicted by the top segment of the framework. First, the impact of the change versus the vision of the organisation and the current leaders' commitment to begin identifying with the leaders concept is reviewed. Requirements for meeting business objectives impacting the Group and the organisational environments, strategies, and the business during the change are defined. HR takes a lead engagement. It operates according to the concept of leaders effectively becoming strategies, driven by senior management (commitment and empowerment), managers (coaching, delegation), and staff (learning and knowing) throughout the organisation. This is conducted by promoting awareness and one-to-one supervisory dialogue, among others.

Second, HR carries out its regular role to plan and attract talent, develop, and monitor them using performance appraisal, and then it retains them to ensure the organisation has the best

people. However, HR's contribution towards increasing leaders' motivation approach highlights the need to establish that all managers and staff are aware of it, and that the HR functions are integrated with the competencies to help the organisation plan properly and select the right talent. The development may need to follow up with performance management systems and learning processes to ensure knowledge transfers from level to level, to retain staff. Bonuses must be dependent on the performance appraisal. Performance appraisal is important in retaining high potential employees that become leaders who have had, and are having, a positive impact on organisational performance.

The *OD domain* is highlighted in the below part of the framework. First, it involves the engagement of talents, or leaders, innovation, and the linkage procedure to connect the approach between analysis and organisational strategy, and culture. It explains how leaders and senior management can attempt a new approach to dealing with challenges by having suitable solutions to match the organisation. The OD department functions in most organisations in a special and critical strategic role to help senior management introduce alignment and links between human relations and the organisation's main targets and goals. Also, it has a role outside the organisation to conduct analysis and advise senior management on changes in requirements in the internal or external environment. It reviews the impact on the organisation and offers procedures to deal with these challenges.

Second, the OD's role in preparing leaders internally is to ensure collaboration throughout the organisation to assist senior management set policies, processes, and systems to match the organisational strategy, achieve goals, and create alignment. Communication systems needed during change and uncertainty are reviewed. The OD will help in the understanding of organisational culture, senior management direction, and the specific competencies needed to establish the correct organisation culture. The OD could help during change and apply new approaches, such as implementing a talent management program, a succession plan, and high potential. These would assist the organisation to use assessment to identify talent and high potential. An internal committee would be set up to avoid any bias, and this committee could build a culture to perpetuate knowledge transfer through the learning organisation. A principal OD role is monitoring employees through a performance management system within the organisation that links both people and the organisation's performance.

### **7.3. Practical Implementation**

The practical implementation of the above model and framework arose from discussion with the focus group members, including the Head of the HR department. These personnel formed an internal committee, with two participants from the research study representing the management. The committee was tasked to prepare practical implementation for this model and framework. This is detailed in the following sections.

#### **7.3.1 The New Role of HRM**

The HR role is vital in a workplace characterised by managerial conversations because it creates and utilises employees' energy, enthusiasm, and commitment (Bilbrey and Jones 2010). The HR department in ES assists managers to have healthy dialogue, and fosters the follow-up improvements through different communication methods. In its communication role, HR prepares a structure to support dialogue between supervisors and supervisees. Here, HR expects framework, frequency, and actions to occur within the dialogue. It makes management aware of the factors behind employees' engagement through training, cultural assimilation, and the need to consider engagement as a part of the manager's suite of tools. Additionally, it designs a script to help leaders ensure consistency. Managers can then extract the feedback required to create an aspirational work environment that utilises skills extracted from leaders' responses to specific questions. This is described in the following sections.

##### **➤ 7.3.1.a. Developing an Aspirational Organisation and Motivated Workforce**

Determining the source of motivation should ensure full skills utilisation and create an opportunistic environment. The questions asked include job elements required for motivations; demotivation; job satisfaction; missing parts or gaps in job responsibilities, and causes for personnel to exit the organisation. Managers conduct open and honest in-depth dialogues with potential leaders based on a mutual commitment to personal development. Questions therefore also centre around strengths and weaknesses, positive feedback, points or areas to improve, and reasons for promotion, thus emerging a full picture of strengths and opportunities for leader development.

Aspirational dialogues concern reaching future objectives through knowledge of a person's aspirations. These are supported by a current leader. The main questions here concern skills to be developed; new skills to gain; priorities of investing limited time and money in personal

career development; ambitious positions; career path in three-to-five years; chosen career, and how best to support career development.

#### ➤ **7.3.1.b. Developing Success as the End-Goal**

Having a perpetual talent pool and developing leaders as strategic goals for the organisation during critical phases or complex stages will help promote efficiency and effectiveness strategies that lead to success (Lockwood, 2006). However, not all of the talent will become leaders alone. The potential talent have the ability to become managers and manage others. This shows that it is not necessarily only high performance people who become managers. Also, there is a need from talent and the organisation to be confident that there is a clear way forward for leader development, and they must communicate clearly and co-operate within all levels of the organisation during the management of this process (McCauley and Redford, 2005; Wakefield, 2006).

### **7.4. The OD Alignment with HR**

The OD strategically aligns with HR to ensure the organisation's transformation. Mihm (2003) sets out the six steps that should be followed to transform the organisation through OD, and which signify the OD's department's crucial role in the preparation of leaders.

#### **7.4.1. Assigning and Receiving Support for OD**

An active succession plan requires not only CEO support and commitment, but it may also need it from senior management and leadership within the organisation in different departments. It requires commitment from senior management, namely, CEO, CHRO, and the Head of each primary function, such as finance, commercial and production, to build a vision and an effective succession planning process. Senior management must review the improvement of the program on a quarterly basis and make any decisions regarding individual staff.

#### ➤ **7.4.1.a. Link to Strategy**

A strategic tool could be used for current and future needs and to develop high-potential employees who achieve the organisation's goals on a long-term basis. This would help the team understand the purpose of succession planning. As an agency, OD could help the directors and senior executives during the strategic planning stage to select their successors to

increase the size of the talent pool, and review training and development needs, rotation, and mentoring.

#### ➤ 7.4.1.b. Identify Talent across Levels Using Assessment

To ensure adequate succession planning and management talent, high-performance employees (HP) and high-potential employees (HIPO) from different levels of the organisation require identification and their entry level and full potential determined to reach the front line. The program has to recognise leadership and managerial responsibilities, and what is needed to ensure success. The position selection, promoting criteria, and the competencies of executive levels, together with how HIPO are assessed and selected in their early careers will inform and design pertinent leader programs. Possibly, middle management is seen to be developing further and overtakes executives with a few years' experience. Assessment procedures to discover the ability, aspiration, and engagement of all employees could help in identifying the HIPO. Also, it depends on the communication methods with employees and managers across all levels. This is crucial when setting definitions of employee potential. Employee potential is complex, being the combination of ability (effective skills), engagement (Committed), and aspiration (will rise more) that drives an employee's likelihood of success in a more senior role. This methodology was used and applied within ES by its outsource provider CEB – SHL, who provided the online tools to compile internal and external reports, results, and comparison to obtain the benchmark. Figure 9 below illustrates the assessment type test used to identify the High Potential Employees (HIPO)

Assessment	Aspiration	Ability
Motivation Questionnaire	✓	
OPQ	✓	✓
Ability test		✓

Figure 8: Assessment Test to identify High Potential Employees (HIPO)

#### ➤ 7.4.1.c. Review Assignment and Training Development

The succession planning process focuses on stretching assignments for HIPO in addition to training. This development and training helps HIPO by enhancing their skills and competencies and gaining more experience. The main challenges for organisations and

managers are having the right development plan for each HIPO and retaining them within the organisation.

#### ➤ **7.4.1.d. Human Capital Challenges**

The organisation may face the problem of the diversification of leading and achieving a result. For example, a one-year senior management development program may be faster than any other short-term talent development program. Other points to consider are maintaining leadership capacity to review high eligibility for retirement, and creating a retention plan for the HIPO using compensation, employing benefits incentives based on performance appraisals.

#### ➤ **7.4.1.e. Facilitate Broader Transformation Efforts**

The use of succession planning and management talent provides potential tools for a more general agency transformation like HR and OD by selecting and developing leaders who support change and are flexible. The aim of this program is to help the organisation and senior management prepare leaders to be ready to adopt change and to achieve set objectives.

As this research study indicated, OD is important when tackling current challenges (Adams, 2012) because it facilitates broader transformation efforts. For example, it helps leaders to outline directions, which creates ideas so that the organisation can adapt, innovate, and collaborate. This ultimately affects the team performance. Also, OD assists the company's strategies during change, restructuring, and transforming (Drew and Smith, 1995) to establish continued learning and people development as an on-going process within the organisation. This helps the company to have a competitive advantage and that the correct people are transformed into leaders. Preparing leaders who can adapt to change or crisis quickly and flexibly (Day and McKinsey, 2000) is becoming an urgent need for the business and its shareholders, especially in developing countries like Egypt.

### **7.5. Recommendations**

#### **7.5.1. Applying the Learning Organisation**

Making change or applying new approaches in the organisation or business needs a starting point for checking the environment and conducting learning (Garvin, Edmondson and Gino, 2008). The recommendation to start building the learning organisation needs to be defined to

match with the organisation culture. It must focus on people's behaviours and practices to ensure continued transformation (Mumford, 1995). Likewise, a talent pool will provide potential leaders who possess the knowledge and capability to lead. This will assist ES to reduce the negative impact of people's behaviour by applying the learning organisation as a new approach in the organisation. It will bring more collaboration, which is essential during change and uncertainty (Dodgson, 1993). Leaders need to integrate with the learning organisation concept to ensure the required learning takes place and to effect knowledge transfer. The correlation between leaders and the learning organisation is solid. ES must apply it to guarantee the existence of learning and knowledge transfer in the organisation. The learning organisation comprises different stages (Heorhiadi, La Venture and Conbere, 2014), and since HR and OD exist inside ES, promotes it to an advanced stage. Also, encouraging leaders and providing them with opportunities will increase the employees' engagement in the Group. This thesis recommends that the current corporate leaders use dialogues, more practice, share the vision, and empower people as Caldwell (2012) proposes, rather than act as traditional leaders (Senge, 1996). This would compel the learning organisation's success.

Further, this recommended decision to transform into a learning organisation will increase collaboration and motivate employees (Steenekamp, Botha and Moloi, 2012). It will also enhance communication and link individuals with the organisation's goal, resulting in a process impacting the performance of both individuals and the organisation. ES positions HR professionals in the recruitment function to select valued employees and provides good training based on the competency model. Yet improvement in coaching is recommended (Lopez, Peon and Ordas, 2006). Coaching could have helped the leadership and senior management to monitor and reward individuals so as to motivate them and enhance productivity (Tichy, Fombrun and DeVanna, 1982). ES holds the historic reputation of having other companies target ES employees, since it has been known as the 'school of steel'. Clearly, this affects employee and leader retention.

HR has succeeded in introducing change to the Group. It has become an HRM strategic partner, and is a strong force in the organisation due to its combination with OD that complements the HR role in its focus on untraditional work and in its actions as organisation and senior management advisor (Ulrich, 1997). Certainly, this will have a positive impact on learning and performance improvement (Wang and Ellinger, 2011). It will provide a critical

role, helping the organisation use managers to create a technological environment and an informal culture to help the employees share experiences, exchange information and knowledge and better communication, and help people develop through training or job rotation. This could work to increase productivity (Tichy et al., 1982) by reflecting employees' behaviour, skills, and organisation culture after they have completed the current stage of building the competency model with the support of the largest consultant firm and OD team. Sense checking could be done with the employee participation and department leaders to ensure the benchmark is met and match the organisational culture. This could build organisational learning (Stacey, 2003, p. 272; emphasis added) and make them part of the LO concept (Morgan, 1997, p. 102; emphasis added) using this team in sharing vision and mission; getting new ideas; creating a new organisational reality; transferring knowledge (Lewis, 2002), and supporting the leadership and managers to help employee adaptation. They would need to avoid any manager bias and any unethical behaviour or decisions (Alsom Harding and Miller, 2007) to understand the organisation culture, history, and value to continue leading.

This shows the importance of the training and how it could help in times of change. It also contributes to an organisational change towards a learning organisation that aims to have a pool of potential leaders. This thesis recommends that OD, leaders, and each department member uses this approach, together with some review by the team members to master the five core learning disciplines and so ensure better communication and dialogues (Hitt, 1996) within the organisation. This would establish full understanding of the core values; an untraditional leadership style; skills; organisation strategy; staff required; style or competencies, and measurement tools like a balance scorecard.

### **7.5.2. Linking Organisation Strategy with Objectives and KPI's**

This thesis recommends to senior management the setting of the organisation's strategy to cope with environment change and the challenges of achieving the goals, culture, organisation and people levels, performance, and market position. Internal communications need to be consistent. The research findings indicated that ES's senior management did have a core role in the empowerment of the idea of having leaders through setting the organisation's direction and goals. One of the critical roles was to set the leaders' development approach to prepare and develop them within the organisation as a main goal to help the organisation grow to deal with change. This needed to keep pace with the desired



organisation competencies based on the strategy and goals needed to adopt change and to gain the flexibility to shift the organisation. Also, senior management were tasked to select the leadership competencies needed in leaders. The engagement of senior management in the leader development approach made a positive impact on others' contributions. Taking action at the right time to facilitate any problem or boundaries will empower the staff, especially the talent and high potential, and give weight to the potential leaders within the organisation.

To set objectives and targets to achieve their department's aims, managers usually depend on KPIs or clear goals to help them and the team to monitor each individual and the Group's objectives. Yet leader preparation and development requires manager collaboration across the organisation to alter the concept that they are simply managers giving instructions and commands. This can be done after review and evaluation by taking corrective action with the team using mentoring and coaching to ensure knowledge and individual experiences are transferred, responsibilities are delegated to potential leaders, and clear feedback is provided. These will ensure that managers transfer knowledge and experience to the staff. However, they require the support of the HR and OD departments to achieve this via a learning organisation culture.

## **7.6. Limitations and Future Study**

The availability of studies linking all these issues and highlighting the relationship between HR and OD and these elements to ensure successful leader development in the organisation is limited. Future studies could review the need for the HR practitioner to play a more strategic role (Ulrich, Losey and Lake, 1997; Ulrich and Brockbank, 2005) to be effective in integrating organisational strategy (Mamman and Somantri, 2014). This research study was limited because it did not elaborate and discuss how the HR role could be established from the beginning in the organisation. However, this could be done through future studies to cover the start-up of the HR and OD department roles.

There is much literature on potential leaders and models to prepare and develop them. Yet this study's findings include the need to improve the leader competencies required, alongside personality and a sense of dealing with issues. All of these issues could not be evaluated or compared due to the sparsity of the literature on this topic. They require a deeper understanding for HR to help the organisation even more effectively, and for senior management to develop it in practice. For the researcher of this study, there is a need for

future studies to discover development approaches to improve leaders in these areas. The mentoring and coaching elements need more guidance for managers to improve these functions. It must be noted also that leader development programs do not fully apply to every organisation. They are not a one-size-fits-all approach. As such, they need to be further investigated after implementation in terms of their impact and the corrective action needed.

## **Chapter 8**

### **Reflections**

#### **8.1. Introduction**

Chapter 8 presents the key reflections of my Doctor Business Administration (DBA) learning and knowledge journey. It includes deep reflection on the action research cycle, reflection on my experience over the long journey, and finally it focuses on my reflection on what I had learned from knowledge and development over the DBA evaluation phase to review the benefits and the outcome.

#### **8.2. Reflection on the Action Research Cycle**

*Construction:* I was able to identify the organisation and management issue, which I considered as a red-hot topic for all stakeholders when preparing and developing leaders. I decided to choose this issue to obtain the power of support for implementing the change in the whole organisation by involving all the stakeholders concerned. However, it is not my scope to understand how the problem could go through the problematising process to become a wicked problem (Bacchi, 2012). By reviewing the relevant literature, I formulated the research objectives as actionable research questions (Levy and Ellis, 2006). Also, I reviewed the leaders' concept, competencies, mechanisms of preparing and developing leaders, and the added value of the HR department to ensure leaders within the organisation.

*Planning for action:* The above stage helped me to prepare the guide for the interview questions, obtaining the data, and how to reduce risk and avoid any bias as an insider researcher (Collins, 1970). I took the research objectives that were identified into consideration when interviewing the participants. I learned control dialogues focusing on the research goals, whilst recording and offering explanations to the participants so they were informed and could find evidence. I gained valuable data skills experience by using NVivo technology. Analysing a huge amount of data was an immense challenge and experience. I learned to validate the outcome through coding and conduct focus group discussions that enabled participants to fully participate in the research by assisting with theme identification. This also ensured that action research was fully applied to the study.

*Taking action:* The research findings were presented to the stakeholders to review the wider picture, set the direction, and select the suitable solution. Initially, the stakeholders' contributions and their involvement with the focus group were slightly problematic, but this proved effective in implementing the desired participatory action research and all parties benefited.

*Evaluation:* After the leaders' model and framework of leaders and its method of implementation had been completed, some comments were raised. Some of these comments occurred in the implementation phase and highlighted a hidden issue. This is why an action plan was created within the Group to formulate the steps needed in its implementation to reduce change and to make it faster.

### **8.3. Reflection on the Research Problem and Research Outcomes**

Understanding and defining talent management (Tarique and Schule, 2010) and receiving guidance to build the talent management program (Workforce, 2015) was indicated in both the literature and during the data collection. Similarly, the literature data collection procedures reflected the need to discover the link between the talent and leader within the organisation to find the best candidates for leadership development (McDermott, Kidney and Flood, 2011). It was discovered that the leader development process needed to fit the organisation's size and culture, which requires a tailored and individually focused approach for leader development (Byrne and Rees, 2006).

Another outcome of this research was that leaders' competencies and profile must be carefully selected. These criteria are necessary for both professional and personal growth, where those individuals with knowledge, skills, and self-leadership abilities are promoted to leadership (Neck and Houghton, 2006). The process of leader development has a positive impact on helping the individual to perform more efficiently in many assigned roles (Muir, 2014). However, leadership development focuses on building social aspects through relationships, networking, and social skills. Linking both leader development and leadership development would be the most useful model to apply (Muir, 2014). However, this is not easy. The only way to achieve this is by helping people to learn, which helps leadership development through their shared experiences (Day and Halpin, 2004).

Having mechanisms for reducing failure (Muir, 2014) and preparing and developing successful leadership is difficult. It places many demands on most of the organisation's departments because it needs participation and collaboration at all levels, including the individual, when creating a leadership development process (Knowles, 1980) through assessment, mentoring, and coaching.

Additionally, the added value of HR requires a supportive environment for learning and sharing within the organisation. A talent pipeline in the organisation can identify the key people (high-potential employees) with the desired competencies to be potential leaders. These leaders can reduce the risk. This depends on leaders in all organisations setting the direction for commitment and business success. Trust, communications, and empowerment are the common major issues (Kirkland, 2009) that may need HR alignments with the OD department to support senior management and current leaders to ensure the organisation retains the edge and its competitive advantage.

#### **8.4. Reflection on the Action Plan**

This research study found that an action plan implemented HR and OD will help the organisation to be aligned with the main goals in the preparation and development of leaders. The contributions of the focus group committees and management all participated in the research to determine a suitable solution. A phased action plan for the application of a leader planning and development approach was devised. The phases are detailed below.

##### **8.4.1. The Starting Phase: Pre-Plan**

Before implementing the leaders' development approach, careful analysis, preparation, and communication across all levels of the organisation are essential to avoid chaos (Raelin, 2010). It is also useful to review the organisation's expectations for change to assist employees utilising the learning process to be flexible in adapting to change (Schein, 1999). Possible challenges need to be anticipated and different scenarios prepared before the approach or model is presented. Organisation members should be fully aligned with and form part of the challenge or change in advance, and they need to be fully informed concerning the main goals and objectives of the approach or model. This builds trust, motivation, and relationships that impact the output and the organisational performance (Greenwood, 1993).

➤ **8.4.1.a. Phase 1: Build Leaders Using Talent**

Senior management must act urgently and invest in potential leaders by making this a strategic organisation. Then, leaders must be empowered by the HR/OD departments' contributions to the leader development process to ensure leaders' success, and enhance leader retention.

➤ **8.4.1.b. Phase 2: Explain Steps and Processes to High-Potential, Talent, and Leaders**

The steps and processes used in the implementation of the leader planning and development process, such as the learning organisation process; the competencies needed; the evaluation method for monitoring; the challenges and opportunities, and the responsibilities and role of each function involved are identified.

➤ **8.4.1.c. Phase 3: Identify and Classify**

Potential leaders need to be evaluated using different tools and categories, and through assessment and performance to review and then select suitable candidates for the correct position. The leaders' development process starts by identifying employees' motivation, strengths and opportunities, and aspirations (Bilbray and Jones, 2011). However, ES implemented the High Potential - HIPO Assessment tool to determine leaders' abilities, aspiration, motivation, and engagement. This assessment tool is applied to a direct line manager's feedback regarding a leader's performance, and this action could become a step to be taken in the implementation of the leaders' development process.

➤ **8.4.1.d. Phase 4: Communicate High-Potential Terms**

This phase focuses on the communication channels used by managers, HR, OD or top management to communicate with the leaders and talent, and the expectations to be selected for the next stage. It also sets out the role and responsibilities of each function to avoid confusion or conflicts.

➤ **8.4.1.e. Phase 5: Develop Leaders**

The selected talent as high potential or leaders need to take assignments, receive delegated responsibilities from their line managers, and coaching/training to ensure knowledge transfer.

#### ➤ **8.4.1.f. Phase 6: Evaluate Future Leaders System**

The evaluation metrics for the leaders need to be aligned with the organisational processes during implementation to receive support from senior management through a special compensation (bonus). This should not affect the organisational culture. The learning organisation approach is applied during this phase, and coaching leaders by managers becomes part of core leader development.

The research findings reveal how HR will deliver and prepare the talent pool within the organisation and apply the leaders' concept. This will begin by attracting, developing, evaluating, and then retaining ES talents and then manage them (D'Annunzio-Green, 2008). This will ensure the success of the organisation to justify leader investment (Lewis and Heckman, 2006). This may change through organisation transformation to become a competitive activity instead of a support activity.

To ensure talent management becomes a pool to gain leaders that will be related to human capital management, the OD department is required to analyse the strategy formulations, identify systems, make changes, monitor, and take corrective action if necessary. The OD role must then link with the HRM that focuses on the execution or operational implementation aspects, namely, Acquire, Deploy, Develop, and Retain. It must also connect with the main strategic role to measure what could fit with the organisation yet still align with all organisational levels (Ingham, 2006) so that knowledge transfer is assured.

### **8.5. Reflection on the Academic Aspect**

The Leaders 3 A and C Model and "MADE IT" framework that I have developed offers significant recommendations when using HR and OD in preparing and developing potential leaders during change. I was able to extend the examination of the current theory on leadership development even further through rigorous testing of these conventional theories that exist in current literature pertinent to developing countries (the MENA region), especially Egypt. In particular, by focusing on heavy industry, of which the steel industry is a major example, I was able to discover the threshold and limitations of these theories and offer a new approach to leadership development by addressing the gaps that exist between theory and practice. However, this research study is limited because most of these industries do not

have the advantage of having advanced HR and OD departments, unlike the case studied. The research was additionally restricted because literature evaluation and comparison of the HR and OD functions in similar industries or other businesses in Egypt and the MENA region was scarce. An interesting area for future research would be to review a similar case or industry in Egypt to gain awareness of applying a parallel approach to the challenges arising. The effectiveness of having HR and OD functions within the organisation could also be studied.

Moving forward, the research study illustrates how the role of HR in developing countries is still neglected, compared with western countries like America and Europe. Few studies have investigated the role of HR in developing countries (Mamman and Somantri, 2014). The aspect of the HR practitioner's role in the organisation requiring more academic attention is the need to play a more strategic role (Ulrich, Losey and Lake, 1997; Ulrich and Brockbank, 2005) and therefore needs more research. I was able to provide valuable insights from the study's key findings that HR and OD in Egypt are similar to those in western countries. Indeed, in some cases it is even more advanced, compared to multinational organisations. However, cultural differences may still exist between developing countries and the west and understanding of the differences between HR and OD functions in each of these regions. Also, the type of work of HR and OD departments, both traditional and non-traditional, depends on efficiency and effectiveness to help the organisation to attempt to apply new approaches and set the right direction in good practice. There are still some limitations in the research relating to defining a clear role for HR and OD departments and finalising the dilemma between them. Yet some organisations still do not have advanced HR or OD functions, and some utilise OD as a consultant role or as a function under HR. Thus, organisations are limited in both research and practice to decide the role of each. Future studies could usefully focus on this issue.

## **8.6. Reflection on Personal Development & Transformational**

Over the past seven years, each module and the thesis structure and chapters reflect on my way of thinking. These elements have also improved my skills to be more structured; think deeper to assess any plan or problem; look for all alternatives, and I have found a way to link business and academic aspects. By applying action research that I had understood from the DBA as a scholar practitioner, I realised that this would improve my attitudes, abilities, and techniques to deal with complex situations and consider a different way to reduce risk. I can



summarise it in two parts: personal development followed by transformational. These are described below.

## **8.6.1 Personal Development**

This section reflects my skills, which I could summarise as three aspects: leadership, managerial, and as scholar practitioner acquired during my DBA.

### **8.6.1.1. Leadership**

**8.6.1.1.a. Strategic Thinking and Reduce Risk:** Review, understand, and realise the wider picture of any problem or situation through critical thinking and critical reflection (Pedler, Burgoyne and Brook, 2005) as tools helped me transform the theoretical to business. I learnt that dialogues avoid biases and make shareholders and other groups part of the problem or the research. Utilising a perspective approach to find an opportunity to assist me to dissect a complex problem, using the company's available resources and what I had learnt from company information, meant that I, as scholar practitioner, could link the organisation business process with an academic approach. This would realistically match the organisation's problem, needs, and culture to improve the company's performance without erring or creating resistance. Also, I could calculate and minimise the risk (Mitroff and Anagnos, 2002) during change and crisis through initiating a process (Cho and Egan, 2009) so that the company would be prepared to deal with complex situations by having a clear communications channel with all people related to the problem or change. This would prepare management smoothly for the process and make them adopt change. Shareholders could consider using leadership agency (Fayol, 1949) to control all levels within the organisation (Comfort, Sungu, Johnson and Dunn, 2001) to help promote more flexibility and better communications. Failure would be avoided and the right directions would be set.

**8.6.1.1.b. Social Power & Communications:** My leadership skills have social power since most of the leaders in the company like myself needed to make insightful decisions. I discovered how to use social power in action and engage individuals in groups at different levels within the company (Gini, 1997). Also, the introduction of ethical leadership (Trevino et al., 2003; Brown et al., 2005) produced changes through the six core attributes of ethical leadership, namely, character and integrity; ethical awareness; community; people-orientation, motivating, encouraging and empowering, and managing ethical accountability).

Clearly, this impacted the company, individual and the Group to integrate the business element with the academic via a learning approach that helped staff to adapt (Raelin, 2003, p. 166). Staff were more flexible because they understood how to communicate via the proposed communication model to avert potentially critical problems (Raelin, 2003, p. 167).

### **8.6.1.2. Managerial**

**8.6.1.2.a. Problem Solving & Decision Making:** I discovered the optimum method to manage others and deal with any problem using scientific evidence (Rousseau, 2006) was to consider a problem from different perspectives and solution-match with the organisation culture. Management were assisted to select between mode 1 and 2 and I could further change knowledge transformation and creation into knowledge production (Gibbons, 1994). The communities of practice that I introduced, as advocated by Wenger (2000), have the potential to help all members within different organisations to learn and to link both academic approaches with business and experience to impact positively on the future of that organisation.

Moreover, I learnt to make the correct decision through selecting the appropriate topic and organisation and to highlight the benefits of the research for both sides. This ensured deeper decision-making based on the correct data, information and the desired output. Indeed, I realised that through understanding the shareholder's needs, strategy, customers, employees, and the market, I could discover the way forward for ES to avoid failure and to reduce expenses and huge investment (Waggoner, 1999). It was essential to appreciate that reliable decision-making emerges from the employees and the management team, whose role is to emphasise the features of the decision, that is, the objectives, alternatives, and risks. It is necessary to involve employees in discussions with their managers when decision-making. This creates more ideas founded on the data, and it could be a means of developing others (Garris and Leah, 2006). Secondly, it averts conflict and reduces the risk during uncertainty. The need for such ideas contributed greatly towards the organisation's participation in my research.

### **8.6.1.3. Scholar Practitioner**

**8.6.1.3.a. Academically oriented:** this was introduced to me from the nine modules in the DBA, alongside my Conference Paper contribution. Both of these aspects assisted me to

solve my organisation's problem, and I could put my perspective approach into practice to obtain evidence about the issue. Seeking such evidence formed the initial phase.

Specifically, I reviewed the academic literature around the issue to deepen my perspective approach, exploring the ideas put forward from different angles together with alternative solution applications. Similarly, I ascertained the strategic impact on the organisation as recommended by Easterby-Smith, Burgoyne and Arujo, (1999, p. 23) and considered how ES could achieve its organisation strategy and goals (Lawrie, 2004; Micheli et al., 2008) during change by employing people capacity. Also, the research project helped me to experience the scientific approach to achieve its findings. This was a novel step that I could apply to the Group to link my ideas as insider researcher to the problem. I discovered how to use observation effectively and improve my information and data gathering skills to arrive at a scientific, yet realistic solution that additionally matched the organisation culture. Importantly, I gained presentation experience, wherein I brainstormed my perspective approach for the research among the members of the organisation, citing the evidence and constructing a clear defence.

**8.6.1.3.b. Designing & implementing Research:** I learnt to design the research to enable the possibility of positive outcomes for the organisation. This was needed to attract management to participate in the research. To do this, I needed to produce an effective combination of research methodology and methods that I could practically apply to the research issue. To fully undertake this research, therefore, I needed to motivate all management levels to participate (Lithans and Sommer, 2005). Hence, I emphasised to management that I was seeking ways of establishing greater competitive edge for the organisation via strategic goal setting rigor-relevance gap minimisation (Huff and Huff, 2001). In this way, experience and theory would move closer together, and via the action research cycle, professional learning and development would continue for ES beyond this research. Similar industries in other regions could replicate and benefit from my research. Last, but not least, I discovered how ethics considerations markedly affected management's acceptance to participate in my research, for example, ensuring that the research was undertaken ethically and rigorously, and in turn, this would build trust with key management figures. I believe that all management members across ES supported my research endeavours.

## **8.6.2 Transformation**

This section reviews my achievements and transformation. Three aspects comprise this phase: dealing with challenges and resistance; my research role as facilitator and insider researcher, and researcher expert. These aspects are detailed below.

### **8.6.2.1. Dealing with Challenges & Resistance**

Undertaking this large-scale research and selecting the most appropriate methodology in particular, presented a challenge. Not only did the methodology need to be the most suitable for the research issue, but I had to ensure that it would blend seamlessly with the day-to-day running of the organisation's operations. Further, research paradigms that formed the research foundation could not be neglected. Ensuring the full participation of management across the organisation was also challenging at times. Management required positive assurances regarding cost, commitment, and time. Clear explanations were frequently needed before management would commit to adopting the research outcomes. Consequently, I learnt to draw on my knowledge of rigor criteria that I had received from studying the DBA. I could then sufficiently validate my assessment of the research issue to ES management. I could also analyse the impact on working practices across organisation levels and organisation culture.

### **8.6.2.2. Facilitator & Insider Researcher**

As focus group facilitator, I realised the benefits of holding this position for my research. For example, I could coach the focus group members, mentor the line managers, and act an internal consultant for top management. Each of these activities provided me with valuable company environment knowledge and the need for sensitivity, and I was also in control of progressing the various research procedures. I was able to timely identify potential problems arising within the research and maintain the application of ethical codes to the business practices (Fleege and Adrian, 2004).

Moreover, my insider researcher role enabled me to avoid bias during the research because I was responsible for delineating clear areas of responsibility and tasks to be used in the research. I was also obliged to direct others, as research participants, using ethical, explanatory, and informative dialogues (Isaacs, 1999). I experienced at first-hand my dual role necessity to ally participation across the different organisation levels and to gain the management employees' positive support for my research. In sum, as facilitator and insider

researcher, I learnt to control the numerous research processes and mentor the participants through open communication channels, whilst balancing this with clear, ethical research trajectory construction that would gain the positive support of top management and management employees across the organisation.

#### **8.6.2.3. Researcher Expert**

My DBA journey and my research experience had a positive impact on my professional development, especially as researcher. The DBA helped to upgrade the knowledge and skills I had acquired over the past years. When I began my research, I had limited understanding of how it might be affected by my proximity to the workplace community in which I conducted my research. However, my scholar/researcher position permitted me to successfully review the larger picture for ES (Monk and Howard, 1998, p. 22) and to identify the need for change if top management's strategic goals were to be met. I realised the value of powerful questions that would uncover unseen issues that would need to be addressed by management. Similarly, I understood the need for alternative perspectives/paradigm knowledge to be considered, along with its clear relationship with the ES environment and culture. Additionally, I could advocate the critical action learning that the participants experienced in my research be continued due to its success in providing actionable research outcomes.

As researcher expert, I appreciated that flexibility in my personal research perspective was key to discovering the optimum research approach. I discovered the intricacies of the research process, for example, that the research paradigm is an explanatory framework/structure used to discuss or explain a phenomenon, and that discourse develops the paradigm (Freshwater and Cahill, 2016). Likewise, I learned that the research process starts with ontology, which drives the epistemology, and to apply the 'methodology-as-philosophy' concept (Hammersley, 2011), where the research theory influences design, method, and criteria, while also negotiating the ethics and the results. Awareness of how my respondents' positioning of me as an expert in learning and teaching may have influenced their responses (Hanson, 2013) enhanced my existing skills for use in both my practical work and my academic research in a structured manner. Additionally, I obtained different perspectives on any problem by reviewing problems from different dimensions. This meant I was able to study the wider picture of any problem or complex situation by probing deeper (double loop); reviewing different alternatives (scenarios); attempting to link the practical with the academic through action research, and to fill a literature gap. This will be a suitable approach when seeking a

solution for any workplace situation, ensuring that alternatives match with the reality, culture, and environment through making people part of the problem and involving them in the process to avoid failure.

Regarding my own practice development, I learnt to evaluate the research interviews effectively, not only the responses of my peers and subordinates, but also those of top management. I can handle challenges or conflict, I can deal with practical and political issues, and I can negotiate and discuss solutions with top management. I have discovered others' beliefs within ES, and a new way of deep thinking that has added to and developed my professional thought. Further, I appreciate that to implement any change or new project I must involve the participants in different parts of the research to achieve a holistic picture. Issues within the organisation are best resolved by making employees part of the problem and simultaneously developing them (Kirkman and Rosen, 2000).

I believe that the action research method ensured dialogues with the participants that enable them to reflect deeper on their practice. I became more aware that I could deal with the issue through action by creating solutions. Implementing the action research cycle for the first time in ES was challenging because my organisation was unfamiliar with this research method. Furthermore, I learnt to deal with the possibility of bias by using semi structured questions while positioned as IR (Coghlan, 2001). Also, the focus group participation provided the participants and myself with new, profound insights about research issues. It paved the way for me to assume a Consultant role for management regarding this research. This benefited the participants because they could voice their beliefs, experiences, and competencies and learn practical techniques. Essentially, they were able to self-reflect on their actions and thus develop themselves professionally.

Moreover, my research makes a unique contribution to the field and science of leadership development. The research provided a practical illustration of effective collaboration, engagement, innovation, and learning within an organisation that are essential elements for leader preparation and development. In sum, my researcher position has provided an excellent opportunity to link academic learning with the organisation and create a theoretical model applicable to ES as a solution. This is the new generation trend intended to reduce risk and help deal with the new technology to cope with a new global market. Both my research participants and I have experienced professional critical action learning that has helped, and will continue to help, in the career, business, and academic fields.

## **8.7. Summary and Conclusion**

My research thesis reflects hard work and collaboration with various organisation members. It enabled me to gain in-depth knowledge and understanding of the leaders concept and leader competencies in relation to the organisation; the mechanisms of preparing and developing leaders, and the added value of the HR role for an organisation that maintains competitive advantage by preparing potential leaders to handle change, especially under adverse conditions. The action research cycle journey increased the organisation's communications and contributions and heightened my capabilities as scholar/practitioner and Consultant to handle problems or situations, and deal with challenges to fill the gap between research and practice by finding and implementing suitable solutions. My engagement with others in the organisation allowed the management team and myself to learn from each other and from the action. My organisation has to be credited for its ability to create leaders without risk and for adopting this new approach. I can summarise my journey in one sentence that includes a powerful question and a simple and direct answer: "How to deal with challenge, change, and complexity? Through action learning".

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## **Appendix A: About ES - General Information**

### **Mission and Vision:**

ES is the Middle East's leading producer of high-quality long and flat steel for use in a wide range of end applications. Dependable products, made to customer and international specifications, combined with unrivalled customer service has created a strong reputation in the region and an ever-growing status in markets around the world.

ES is the largest independent producer of steel in the MENA region and is the market leader in Egypt. The company produces long and flat products at its manufacturing facilities strategically located in the port cities of Alexandria and Suez and in the Egyptian interior at Sadat City and 10th of Ramadan City, selling them to customers around the world.

### Objectives:

- To continually build our capacity and knowledge base to meet the growing and diverse needs of customers across the region.
- To offer a full line of products, grades, and qualities that are perceived as equal to – or better than – those of market-leading producers.
- To provide a service that meets or exceeds customer expectations.

### **ES Strategy**

Starting Building on our Current Strengths ...

Maintain market leadership

Enhance optimisation and efficiency

Opportunistic approach to markets

and Pursue Future Growth

Horizontal integration

Vertical integration

To ensure ES's sustained profitable growth

1950s and 1960s	The chairman's Father establish <u>ES</u> trading activities, local trading activities, local distribution of steel product, and then moved to importation of steel products and building material for almost 20 years.
1970s	The chairman joined the business with his father.
1980s	ES trading became the largest importer of steel in Egypt. The chairman moved to the industry in 1989, and the first plant production of ceramic in Sadat City began.
1990s	Mid 90s the chairman established the first steel plant in 1994 1995 – ES acquired a rolling plant in 10 of Ramadan -ERM (X -El Baraka). 1996 - the start-up ES Sadat Rolling - ESR. End of 90s - several expansions in both ESR and ERM to increase the capacity to 1.5 million tonnes. 1999 - establish the first flat steel plant in Ain Shoukna – Suez – ES Flat Steel - EFS.
2000s	2000 - start the acquisition of (El Dkehila) to become ES Eldkehila – EZDK). 2002 - EFS start-up of the Flat production with the capacity of 1 million tonnes. 2003 - ES acquired 54% of (El Dkehila) until it became - EZDK 2006 -the ES Group became the largest steel producer in Egypt, where all capacities were reached with to around 6.5 million tonnes. 2 million tonnes in Flat steel and 4.5 million tonnes in Rebars. 2008 -ES make several expansions in EFS by having two lines of Long Rolling. 2009 - ES became one of the top 50 producers over the world based on the World Steel Association Report.
2010s	2010 -ES makes another expansion in ERM but in Shoukna – Suez by building the DRI. 2016 - ES start up the DRI in Shoukna. 2016 -annual total production of DRI 5 MT, Long 4 MT, Flat 2 MT.

**Table 10: ES Group Milestones**

Internal	Strength	Staff/ Leaders/ Managers Market Position Sales Products/Services Growing Learning Flexibility History/Experience Culture
	Weakness	Profit margins have decreased over the last three years Unknown
External	Opportunity	New Complimentary Market Sales/New Customers Products/Services Merger/Acquisition Market Growth
	Threat	Economy Political New Competitors Loss of a few potential staff Lack of bank systems Cash Flow/ Foreign New Government Regulations

**Table 7: ES Group SWOT Analysis (Summary)**

### **ES Quality**

The consistent product quality achieved by ES is highly regarded by customers around the world. Such recognition is the result of years of experience and a policy of continuous improvement, combined with a Quality Management System developed according to ISO 9001:2000.

ES quality assurance has won the respect of the international steel industry and offers complete peace of mind to customers.

### **ES Environment**

Environmental protection is a passion at ES. Investing in sustainable development is as much a priority as investing in steel production improvements.

**ES Commitment**

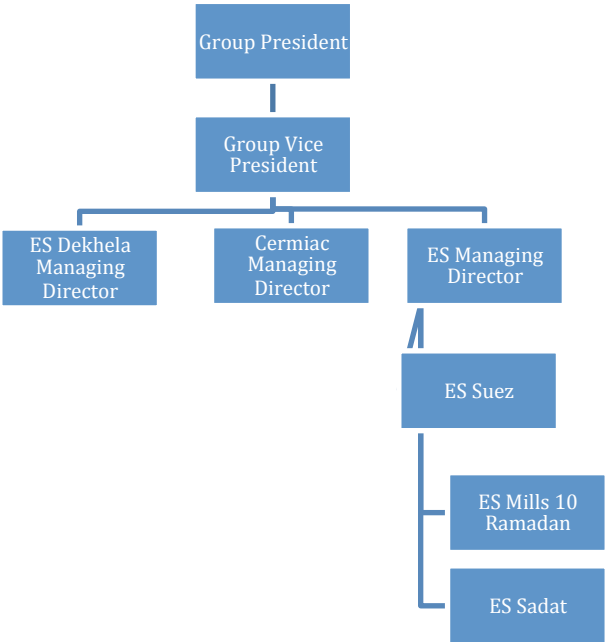
ES is committed to its customers, suppliers, employees, competitors, the Egyptian government, and to the Egyptian people and maintains a corporate culture of compliance that is second to none.

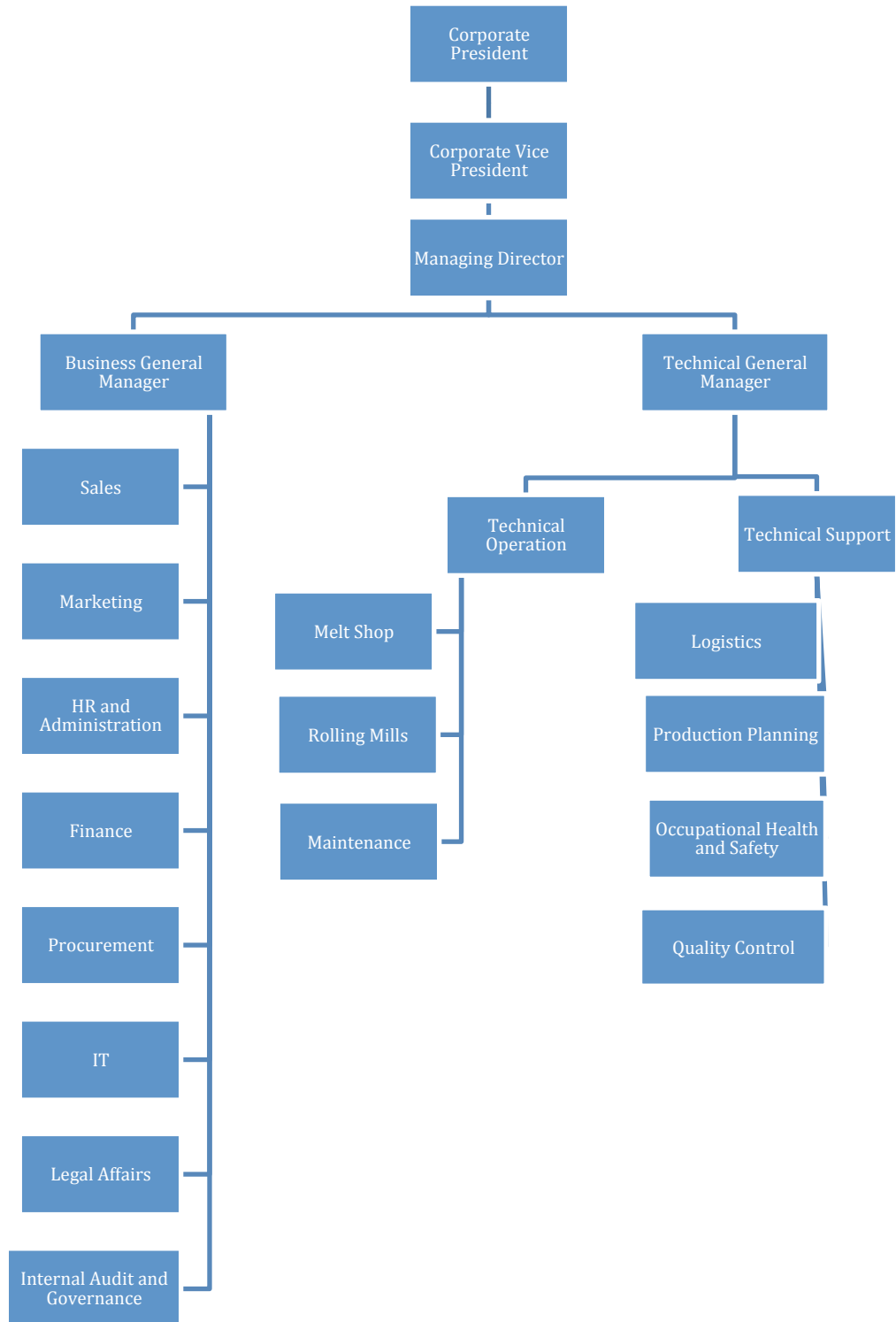
**ES Career**

The corporation and the factory offer job opportunities to the Egyptian market that secures the careers. We are known as ‘the school of steel’, ES, in Egypt and in the region because we invest in people.

# Appendix B: ES Organisation Chart Overview

## ES Organisation Chart Overviews





ES Group	ESR	ERM	EFS	EZDK	Ceramic	Total ES Group
Head Count	2,037	811	1,435	4,193	2,049	10,525
Total Steel Head Count	8,476					

**Table 8: ES Group Headcount: (HRIS ES System: 31/01/2016)**

Total Headcount: 10,525 – however, the study will focus on the steel operations with a total headcount 8,476. Without the outsource headcount or other providers’ indirect headcount averages 4,000 headcount.

Ceramic is one of the ES subsidiaries not included in the study because the main activities involve ceramic, not steel.

Average turnover per year has risen from less than 1% over the last five years.

ES is the market leader in Egypt for long products, which consist principally of rebars and wire rods. These are used for strengthening concrete in building and other construction applications, and also in flat products. Consisting of hot rolled coil, these are thin gauge sheets manufactured to a precise specification for makers of consumer goods and industrial products.

ES’s total production capacity is 5.8 million tons of finished steel per annum, divided into the two main steel products namely, long products with a capacity of 4 million tonnes, and flat products with a capacity of 2 million tonnes.

ES’s balance sheet consolidated the 5.8 million tonnes through:

Its directly owned production facility in Sadat City, producing 1 million tonnes of long products.

Its 55% direct stake in the ES Dekheila Steel Company (EZDK) facility in Alexandria, producing 2 million tonnes of long products and 1 million tonnes of flat products.

Its 99% direct stake in the ES Rolling Mills (ERM) facility in 10th of Ramadan City, producing 500 thousand tonnes of long products.

Its 34% direct stake and 55% indirect stake (through EZDK) in ES Flat Steel Company (EFS), producing 1.3 million tonnes of flat products.



## Appendix C: Questionnaire

*Hi, my name is XXXXXX. I'd like to warmly thank you for your precious time, which you have allocated to me from your day, despite the daily burden. The purpose of this interview is to complete the research in my thesis: (The Added Value of Human Resources (HR) to an Organisation: Developing Leaders within ES; an Egyptian Steel Group). It will take about an hour to complete on average. Please feel free to add your opinion and like any scientific research, this data is confidential and will not be shared.*

### 1. Basic Identification

1. Name
2. Position
3. Location
4. Date
5. Time
6. Duration average

### 2. How does ES Group structure affect the leaders and the HR in the Group?

7. Please give us brief details about yourself, background, and your current role in ES?
8. Could you give us brief details about ES? And about the current subsidiaries?
9. What is the organisation strategy and goals ES wants to achieve?
10. What is the competitive advantage of the Group?
11. What is the disadvantage of the Group?
12. What are the main challenge or problem the Group currently faces?
13. How could you describe the management style of the top management in the organisation across all levels?
14. What is the role of the HR department in the organisation?

**3. What is your understanding of leaders and the leader process of development?**

15. What is your definition or description of a leader?
16. How could you describe the current leaders (competencies, profile, behaviours, characteristics)?
17. A) Do you think that leaders are important for the organisation?  
B) Do you have an example in ES?
18. How could top management or current leaders help the organisation to achieve the strategy and to deal with change or crisis?
19. Do you think ES needs to have future leaders or ES are preparing future leaders?
20. Do you have a second line ready of future leaders in the organisation to replace current leaders?
21. If yes, how did you prepare them? If no, do you think is it important to have this?
22. Do you have a clear process or program for preparing future leaders or talent, if any, in ES?
23. What you want to see in future leaders such as (profile, competencies, skills, behaviour, and personalities)?
24. What else do you want to see in the future leaders?

**4. What is the HR role in ES and its contribution in developing future leaders?**

25. Do you think when preparing talent or potential as future leaders, only HR is needed?
26. How could the HR or OD departments help the organisation to prepare future leaders?
27. How could the organisation select or identify future leaders?
28. How could the organisation develop future leaders?
29. How could the organisation reward and retain future leaders?
30. How could the organisation monitor future leaders?
31. What will be the current leaders' role for preparing future leaders? For example, by coaching.
32. How could we link preparing future leaders with the organisation strategy?
33. What is the added value of preparing future leaders for the Group?
34. What is the added value of HR for the Group?
35. Do you think HR supports the top management to achieve the strategy or objectives?
36. What is your concern for using that approach of preparing future leaders within ES?

## Appendix D: Data Gathering Summary: Coding / Clusters / Themes

Respondents	Answers	Coding using gerund (line-by-line) leading to indicators
Rep. 1	My name is (XXXXXX), I started as a banker. I was involved in finance basically half of my experience in banking, commercial banking and investment banking specialized basically in corporate banking. I change my career to be human resources deputy general manager in the ES Group.	Giving name, Specialisation.
D. 2	ES operations date back to 1957 where it started with the trading activities, local trading activities, local distribution of steel product and then moved to importation of steel products and building material for almost 20 years. In the 80s and 90s it was the largest importer of steel in Egypt. Then it moved to the industry in 1989 and the first plant actually was not steel it was production of ceramic types. In 1995 they have acquired a rolling plant in Egypt also in 1996 they built up the first plant of steel. Then made several expansions on the first plant until the capacity reach 1.5 million tonnes. Then built the first flat steel plant with the capacity of 1 million tonnes. Then acquired the largest steel producer in Egypt (EZDK) starting with	Background on ES. Stressing his role in ES.

	20% stock acquisition and grew until now it holds 54% of the plant.	
<b>Respondents</b>	<b>Answers</b>	<b>Coding using gerund (line-by-line) leading to indicators</b>
Rep. 2	My name is (XXXXXX), I am a holder of DBE degree in strategic management, also a master's degree in logistics.	Giving name, Specialization
D. 2	<p>I was assigned to be responsible for the procurement department both foreign, local, and logistics of inbound materials.</p> <p>The foreign purchasing, which is responsible for the procurement of the needed materials and spare parts, equipment to two sides - Sadat city plant and 10th of Ramadan plant, including the purchasing activities, negotiating, contracting, and delivery plus all the logistics-associated activities like shipping, custom clearance, transportation.</p> <p>The local purchasing is responsible for procuring the required material bases and equipment from the local market.</p>	<p>Background on ES.</p> <p>Stressing his role in ES.</p>
	ES of course is the leading steel producer in the Middle East.	Stressing ES status.

**Table 9: Example of coding line-by-line**

Behavioural actions and events indicators	Theme
<p>The ES Group is one of the very important steel makers in the MENA region.</p> <p>The ES Group had more than 10,000 experts in steel making, which creates a demand for people from ES from any competitors or new businesses opening in the market.</p> <p>ES production is almost 5 million tonnes and we are almost 60 % of the market share in Egypt, we are exporting hot rolled coils to Far East, to MENA region and to Europe as well.</p>	Culture.
<p>The environment, both external and internal, has impacted not only the Group, but also on organisational strategy and people's behaviors.</p> <p>The business is currently facing a lot of change and impact on the finances and decisions that describe this period as 'sustain mode'.</p>	Change and uncertainty.
<p>The long-term planning for anything in the business or the projects is slow due to the uncertainty.</p> <p>Having untraditional leaders who can deal with all of the change to have tools to help the management.</p> <p>Preparing and developing future leaders during that period will be the best solution to deal with the stage of fast change</p>	Management Beliefs.
<p>Looking for leaders' development and for preparing future leaders within the Group is necessary and important for dealing with the future challenges.</p> <p>The leadership development understanding and importance for the Group was one of the challenges found.</p> <p>Believed in leadership development as skills that could be developed for people who have the capabilities to be developed through executive education and training programs.</p>	Leaders influence on the organisational environment.
<p>The organisation's team described the current leadership as a role model, since they needed to have a flexible management style as an approach for managing the Group.</p>	Organisation's perception of leadership as a remodel.
<p>Employees at all levels of the organisation, from junior to senior</p>	Organisation's perceived

<p>levels have access to the organisation's leadership.</p> <p>Participants shared many case studies to share their experiences to illustrate the importance of decision-making on part of the leadership.</p> <p>The leaders had coped during a critical time by investing in both technology and human capital and prepared other lines capable of dealing with change and challenge.</p>	<p>competencies required from the leadership.</p>
<p>Stressed the needs of future leaders within the Group as critical to its business continuity and sustainability.</p> <p>The key behaviours and characteristics (traits) they expect these leaders to have to be able to deal with change and uncertainty.</p> <p>Creative thinking and innovation were mentioned as future leaders' competencies to be capable of shifting the capabilities of the entire organisation if needed</p>	<p>Organisation's perceived future Leadership Traits.</p>
<p>Preparation and development of future leaders were identified as a critical challenge to the organisation.</p> <p>ES saw some success stories from the fresh talents who joined the Group and after more than 15 years these talents became part of the executive team managing departments and divisions.</p> <p>Stressed the importance of training and development during the process of preparing future leaders.</p> <p>Stressed the role of the managers in coaching as a way of transferring knowledge and experience to the second line.</p>	<p>Top management empowerment.</p>
<p>Stressing the main role of OD in the interaction of the leaders and managers to prepare and develop the future leaders programme in order to gain better contributions from high-potential talents.</p>	<p>Alignment of the HR and OD and support by management.</p>
<p>Stressing challenges which exist at different levels of the organisation and this manifested itself from the communication gaps between various levels of the management.</p> <p>Highlighting the importance of getting exposure in different functions and companies within the Group and industry.</p>	<p>Communications and Job Rotation.</p>
<p>Stressing the leader should have a certain degree of subject</p>	<p>Coaching, Training and</p>

<p>matter expertise.</p> <p>Discovering leaders needed to be developed through performance appraisal with clear feedback for positive and negative points, to find ways of improving their level of expertise and development of their abilities.</p> <p>Delegation and guidance is one of the main roles of managers, using it to manage staff and prepare them for the next level, more than the training and development which they left to the HR as their main responsibility.</p>	Delegation.
<p>Stressing there was a poor role of HR in the Group until they had established the Corporate HR in 2010.</p> <p>There are two main roles now as the HR operation (Talent Management including the Recruitment and Performance Appraisal, Talent Development including learning and development talent and potential people), and the administrative side that includes personal, data, and employees' relations dealing with day-to-day activities between departments, managers, and employees.</p> <p>The strategic role of HR to help the management to implement their strategy and achieve their goals. Also to build up second line management and to establish a process to continuously generate qualifications and second line management within the organisation, and how to establish a sustainable learning process specifically designed for ES Group to sustain the business and to continue leading the region</p>	Shifting the HR Role.
<p>Insisted that the future leaders development is the main responsibility of HR.</p> <p>Mentioned that the current gap lay in the HR role of preparing program for the talent or future leaders, including both vocational and managerial training, and including some elements to make HR responsible for pushing the managers with the top management for future leader development.</p> <p>Others important points related to the future leaders were that</p>	The future role of HR.



the retention and reward system should be integrated into the process and system of future leaders to motivate them.	
<p>Stressing the role of the corporate HR is establishing an internal Organisation Development department (OD) with main responsibility for strategic issues, dealing with environment, culture, change, crisis, business process, assessments centre, and internal communications.</p> <p>The OD department helped HR management to identify future leaders: firstly, by involving direct managers to get options and the feedback of each team member; secondly, leveraging the evaluation system (Performance Appraisal) integrated with the selection process, and finally implementing assessment-based promotions to discover more about the personality, ability, skills and attributes through the establishment of a dedicated internal assessment centre which was based on the competency model the OD had implemented over the past two years.</p>	The New Role of OD.
<p>The strategic direction may not be clear for the managers at the junior level in the Group.</p> <p>Since the organisation's workforce is made-up of white and blue-collar employees, it means that the collective may not have full understanding of the organisation's strategies.</p> <p>Stressed the negative impact on the staff and middle management if the company did not work hard on preparing future leaders and find them alternatives if we have a pool of talent in the same position.</p> <p>The need for communication within the organisation to ensure that we have clear processes for giving messages.</p> <p>Asking for the alignment of all levels within the Group to raise awareness of procedures and what was needed from top management, managers, and staff including HR and OD to help the Group achieve its strategic goals.</p> <p>HR needs to work on linking the idea of having future leaders with sourcing, attracting, selecting, developing, and promoting</p>	Strategic Alignments.

<p>the employees within the organisation.</p> <p>OD has to work more strategically to assess the organisational strategy and what is needed to help the top management to deal with rapid change and challenges to achieve goals more quickly with minimum risk.</p>	
<p>The main role of both HR and OD within the organisation was not clear for most interviewees.</p> <p>Although being a strategic function within HR, OD tries to fulfil both the same strategic and operational roles; o however, that is negatively reflected on the results achieved by the OD through its lack of strategic focus.</p>	Set clear role for both HR and OD.
<p>Concerned about the output of the organisation to enhance its effectiveness and efficiencies and to have future leaders as a way to continue leading the market, and they want to make sure of transferring the experience to others.</p> <p>Having considered the data gathered on organisation performance and learning, and the relation with future leaders, if we aim to build a process it will be within the organisation during the change to build future leaders.</p> <p>Stressing the existence of gaps in some functions and the maturity of others to take over the lead.</p>	Opportunity and Change.
<p>Asking for HR contribution and support to have a better career path.</p> <p>The main demand was to have better ways or processes for identifying talent, have a fair opportunity to be a future leader and to take opportunities, avoiding some managers' bias, having HR as mainly responsible for retention.</p> <p>Sharing knowledge and experience to obtain knowledge transfer from the current leaders and managers.</p>	The Involvement of the HR /OD.
<p>Thoughts on the important role of the managers to prepare a pool of talent and select from them in future and they mentioned the HR responsibility to support them on that to have a benchmark.</p>	Line Managers.

<p>Preparing the next generation with standards and benchmarks applying the latest practice to improve the future leaders, and to be a model suitable for the environment to be applied in the Middle East.</p> <p>The personal endeavour of each to select or support the potential staff aiming to be future leaders.</p> <p>There is a gap in the second and third level on focusing on high potential and monitoring and development, which need the contribution of HR/OD to provide the process that gave the organisation have the standard same language to prepare and develop second and third lines.</p> <p>The current leaders and managers should transfer their knowledge and experience correctly to the future leaders, by having learning organisation which is still missing.</p>	
<p>The way of selection was the main concern but the development will be line managers' responsibility as well as the HR because most of the managers required the HR involvement.</p> <p>Middle management were concerned about the duration of the preparation and ensuring selected people did not leave the company soon after the investment in their development.</p> <p>It needs empowerment from the top management to work in an untraditional way, to think of the future and what is needed.</p>	Top Management Empowerment.

**Table 10: Sample of The Behavioural Actions**